

# Union Calendar No. 198

110TH CONGRESS  
1ST SESSION

# H. R. 2992

[Report No. 110-312]

To amend the Small Business Act to improve trade programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2007

Mr. HALL of New York (for himself, Mr. SESTAK, Ms. VELÁZQUEZ, Mr. LIPINSKI, Mr. CUELLAR, and Ms. CLARKE) introduced the following bill; which was referred to the Committee on Small Business

SEPTEMBER 4, 2007

Additional sponsor: Mr. BRALEY of Iowa

SEPTEMBER 4, 2007

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on July 11, 2007]

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## A BILL

To amend the Small Business Act to improve trade 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,*

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

2 (a) *SHORT TITLE.*—*This Act may be cited as the*  
 3 *“SBA Trade Programs Act of 2007”.*

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

*Sec. 1. Short title; table of contents.*

*TITLE I—SMALL BUSINESS TRADE POLICY*

*Sec. 101. Develop and implement small business trade policies.*

*Sec. 102. Establish an annual small business trade strategy.*

*Sec. 103. Track small business exports and trade resource utilization.*

*TITLE II—TRADE COMPLIANCE PROGRAMS*

*Sec. 201. Trade Remedy and Dispute Assistance Initiative.*

*Sec. 202. Patent Assistance and Intellectual Property Protections Initiative.*

*TITLE III—TRADE ADJUSTMENT ASSISTANCE FOR SMALL  
 BUSINESSES*

*Sec. 301. Trade Adjustment Assistance Financing Initiative.*

*Sec. 302. Technical resources for trade adjustment assistance.*

*TITLE IV—EXPORT ASSISTANCE*

*Sec. 401. Increase Small Business Administration participation at Export Assist-  
 ance Centers.*

*Sec. 402. Increase access to capital for small and medium-sized exporters.*

*Sec. 403. Clerical amendment.*

*TITLE V—AUTHORIZATION OF APPROPRIATIONS*

*Sec. 501. Authorization of appropriations.*

6 **TITLE I—SMALL BUSINESS**  
 7 **TRADE POLICY**

8 **SEC. 101. TRADE POLICY FOR SMALL BUSINESS.**

9 *Section 22 of the Small Business Act (15 U.S.C. 649)*  
 10 *is amended by adding at the end the following:*

11 *“(h) ROLE IN TRADE POLICY.—*

1           “(1) *RECOMMENDATIONS.*—*The director of the*  
2           *Office shall present recommendations regarding small*  
3           *business exporters to trade negotiators.*

4           “(2) *DEVELOPMENT OF TRADE POLICIES.*—*The*  
5           *director of the Office shall assist in the development*  
6           *of trade policies that increase opportunities for small*  
7           *businesses in domestic and foreign markets, including*  
8           *the removal of trade barriers.*

9           “(3) *IMPLEMENTATION OF TRADE POLICIES.*—  
10          *The director of the Office shall assist in the imple-*  
11          *mentation of trade policies through relationships de-*  
12          *veloped with Federal trade policymakers, particularly*  
13          *the United States Trade Representative, and*  
14          *transnational organizations, such as the Organization*  
15          *for Economic Co-operation and Development.*

16          “(4) *SMALL EXPORTER PROMOTION PRO-*  
17          *GRAMS.*—*The director of the Office shall establish pro-*  
18          *grams that will boost the export opportunities of en-*  
19          *trepreneurs and encourage transnational organiza-*  
20          *tions, such as the Organization for Economic Co-oper-*  
21          *ation and Development, small exporter organizations,*  
22          *and ministries of foreign governments to support and*  
23          *publicize these programs.*

24          “(5) *STRATEGIC ALLIANCES.*—

1           “(A) *CONGRESSIONAL NOTIFICATION.*—*The*  
2           *director of the Office shall notify the Committee*  
3           *on Small Business of the House of Representa-*  
4           *tives and the Committee on Small Business and*  
5           *Entrepreneurship of the Senate of pending stra-*  
6           *tegic alliances.*

7           “(B) *FOLLOW-UP ACTIVITIES.*—*The director*  
8           *of the Office shall ensure that planned and docu-*  
9           *mented follow-up activities for strategic alliances*  
10           *increase trade opportunities for small businesses.*

11           “(C) *STRATEGIC ALLIANCE DEFINED.*—*In*  
12           *this paragraph, the term ‘strategic alliance’*  
13           *means a working relationship, entered into be-*  
14           *tween the Small Business Administration and*  
15           *foreign national ministries representing small*  
16           *business concerns, for the purpose of strength-*  
17           *ening trade between United States small busi-*  
18           *nesses and foreign small businesses by estab-*  
19           *lishing overseas networks and buyers.”.*

20 **SEC. 102. ESTABLISH AN ANNUAL SMALL BUSINESS TRADE**  
21 **STRATEGY.**

22           *Section 22 of the Small Business Act (15 U.S.C. 649),*  
23 *as amended by this Act, is further amended by adding at*  
24 *the end the following:*

25           “(i) *ANNUAL SMALL BUSINESS TRADE STRATEGY.*—

1           “(1) *IN GENERAL.*—*The director of the Office*  
2           *shall develop and maintain a small business trade*  
3           *strategy that is contributed as part of the National*  
4           *Export Strategy developed by the Department of*  
5           *Commerce that includes at least the following compo-*  
6           *nents:*

7                   “(A) *Strategies to increase small business*  
8                   *export opportunities. The strategies shall include*  
9                   *a specific strategy to increase small business ex-*  
10                   *port opportunities to the Asia Pacific Region.*

11                   “(B) *Recommendations to increase the com-*  
12                   *petitiveness of domestic small business industries*  
13                   *in the global economy.*

14                   “(C) *Recommendations to protect small*  
15                   *businesses from unfair trade practices, including*  
16                   *intellectual property violations.*

17                   “(D) *Strategies to expand small business*  
18                   *representation in United States trade policy for-*  
19                   *mation and implementation.*

20                   “(E) *Coordination efforts with the Trade*  
21                   *Promotion Coordinating Committee of the De-*  
22                   *partment of Commerce, as well as with Federal*  
23                   *agencies that also provide trade financing to*  
24                   *small businesses, such as the Overseas Private*

1           *Investment Corporation and the Export-Import*  
2           *Bank.*

3           “(2) *REPORT.*—*At the beginning of each fiscal*  
4           *year, the director shall submit to the Committee on*  
5           *Small Business of the House of Representatives and*  
6           *the Committee on Small Business and Entrepreneur-*  
7           *ship of the Senate a report on the small business*  
8           *trade strategy required by paragraph (1). The report*  
9           *shall cover, at a minimum, each of the components re-*  
10          *quired by paragraph (1) and shall include specific*  
11          *policies and objectives and timelines to implement*  
12          *those policies and objectives.”.*

13 **SEC. 103. TRACK SMALL BUSINESS EXPORTS AND TRADE**  
14           **RESOURCE UTILIZATION.**

15          *Section 22 of the Small Business Act (15 U.S.C. 649),*  
16          *as amended by this Act, is further amended by adding at*  
17          *the end the following:*

18          “(j) *TRACKING SYSTEM.*—

19                 “(1) *IN GENERAL.*—*The director of the Office*  
20                 *shall develop a system to track small business exports*  
21                 *and the use by small businesses of Federal trade pro-*  
22                 *motion resources. The director shall ensure that the*  
23                 *system is consistent through each Federal agency*  
24                 *member of the Trade Promotion Coordinating Com-*  
25                 *mittee.*

1           “(2) *DESIGN EMPHASIS.*—*The director shall give*  
2           *particular attention, in designing the system, to the*  
3           *tracking of data on the trade of services by small ex-*  
4           *porters, in consultation with the Department of Com-*  
5           *merce.*”

6           “(3) *IMPLEMENTATION.*—*The director shall work*  
7           *in consultation with members of the Trade Promotion*  
8           *Coordinating Committee to ensure that the system is*  
9           *implemented and that the results of the system are re-*  
10           *ported annually in the National Export Strategy con-*  
11           *ducted by the Trade Promotion Coordinating Com-*  
12           *mittee.*”.

## 13           **TITLE II—TRADE COMPLIANCE** 14           **PROGRAMS**

### 15           **SEC. 201. TRADE REMEDY AND DISPUTE ASSISTANCE INI-** 16           **TIATIVE.**

17           *Section 22 of the Small Business Act (15 U.S.C. 649),*  
18           *as amended by this Act, is further amended by adding at*  
19           *the end the following:*

20           “(k) *TRADE REMEDY AND DISPUTE ASSISTANCE INI-*  
21           *TIATIVE.*—*The director of the Office shall design, and the*  
22           *district offices of the Administration shall implement, a*  
23           *program that provides technical assistance, counseling serv-*  
24           *ices, and reference materials to assist small businesses navi-*

1 *gate the trade dispute and remedy processes. The program*  
2 *shall include—*

3 *“(1) information on available resources, proce-*  
4 *dures, and requirements for trade remedy investiga-*  
5 *tions;*

6 *“(2) an approach for district office staff to pro-*  
7 *vide one-on-one assistance to small businesses involved*  
8 *in these activities; and*

9 *“(3) an identification of legal resources and*  
10 *other tools to ensure small businesses can navigate the*  
11 *trade dispute and remedy processes affordably.”.*

12 **SEC. 202. PATENT ASSISTANCE AND INTELLECTUAL PROP-**  
13 **ERTY PROTECTIONS INITIATIVE.**

14 *Section 22 of the Small Business Act (15 U.S.C. 649),*  
15 *as amended by this Act, is further amended by adding at*  
16 *the end the following:*

17 *“(1) PATENT ASSISTANCE AND INTELLECTUAL PROP-*  
18 *ERTY PROTECTIONS INITIATIVE.—In consultation with the*  
19 *United States Patent and Trademark Office and the United*  
20 *States Copyright Office, the Office shall design counseling*  
21 *services, including identifying legal resources for small*  
22 *businesses to secure intellectual property protection in for-*  
23 *ign countries. To implement the program, the Office shall*  
24 *collaborate with district office staff to provide on-on-one as-*  
25 *sistance to small businesses involved in these activities.”.*

1 **TITLE III—TRADE ADJUSTMENT**  
2 **ASSISTANCE FOR SMALL**  
3 **BUSINESSES**

4 **SEC. 301. TRADE ADJUSTMENT ASSISTANCE FINANCING**  
5 **INITIATIVE.**

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

8 *(1) in paragraph (2)(D) by inserting after*  
9 *“paragraph (14)(A),” the following: “or to participate*  
10 *in a loan made under paragraph (16),”; and*

11 *(2) in paragraph (16)—*

12 *(A) in subparagraph (D) by striking clauses*  
13 *(i) and (ii) and inserting the following:*

14 *“(i) is impacted by—*

15 *“(I) increased competition with*  
16 *foreign firms in the relevant market; or*

17 *“(II) unfair trade practices, par-*  
18 *ticularly intellectual property viola-*  
19 *tions; and*

20 *“(ii) is injured by such impacts.”; and*

21 *(B) by adding at the end the following:*

22 *“(E) OUTREACH AND MARKETING.—The*  
23 *Administration shall increase outreach and mar-*  
24 *keting of international trade loans to district of-*  
25 *fices and private lenders.”.*

1 **SEC. 302. TECHNICAL RESOURCES FOR TRADE ADJUST-**  
2 **MENT ASSISTANCE.**

3 *Section 22 of the Small Business Act (15 U.S.C. 649),*  
4 *as amended by this Act, is further amended by adding at*  
5 *the end the following:*

6 “(m) **TECHNICAL RESOURCES FOR TRADE ADJUST-**  
7 **MENT ASSISTANCE.**—

8 “(1) **IN GENERAL.**—*The director of the Office*  
9 *shall establish a comprehensive set of services to assist*  
10 *small business readjustment, including access to*  
11 *training, technology, marketing assistance, and re-*  
12 *search and information on domestic and global mar-*  
13 *kets.*

14 “(2) **IMPLEMENTATION.**—*The Administrator*  
15 *shall, by regulation, establish such requirements as*  
16 *may be necessary to carry out paragraph (1).*

17 “(3) **OUTREACH.**—*The Office shall work with the*  
18 *district offices and the outreach business assistance*  
19 *centers of the Administration, including Small Busi-*  
20 *ness Development Centers, Women’s Business Centers,*  
21 *and SCORE, to offer the set of services established*  
22 *under paragraph (1) to small businesses in their local*  
23 *communities.”.*

1 **TITLE IV—EXPORT ASSISTANCE**

2 **SEC. 401. INCREASE SMALL BUSINESS ADMINISTRATION**  
3 **PARTICIPATION AT EXPORT ASSISTANCE**  
4 **CENTERS.**

5 *Section 22 of the Small Business Act (15 U.S.C. 649),*  
6 *as amended by this Act, is further amended by adding at*  
7 *the end the following:*

8 “(n) *TRADE FINANCE POSITIONS.*—

9 “(1) *ADDITIONAL TRADE FINANCE SPECIAL-*  
10 *ISTS.*—

11 “(A) *IN GENERAL.*—*The Office, over the 1-*  
12 *year period beginning on the date of the enact-*  
13 *ment of this subsection, shall increase the num-*  
14 *ber of trade finance specialists at Export Assist-*  
15 *ance Centers by at least 6 and thereafter shall*  
16 *maintain the number of such trade finance spe-*  
17 *cialists at or above that number. Candidates for*  
18 *the positions are required to have sufficient*  
19 *qualifications and experiences.*

20 “(B) *AUTHORIZATION OF APPROPRIA-*  
21 *TIONS.*—*There are authorized to be appropriated*  
22 *to carry out subparagraph (A) such sums as*  
23 *may be necessary.*

24 “(2) *FILLING VACANT POSITIONS.*—*The Office,*  
25 *over the 3-month period beginning on the date of the*

1 *enactment of this subsection, shall fill all trade fi-*  
2 *nance positions that have been vacant since 2003.*  
3 *Candidates for the positions are required to have suf-*  
4 *ficient qualifications and experiences.*

5 *“(3) FILLING GAPS IN HIGH-EXPORT-VOLUME*  
6 *AREAS.—The director of the Office shall—*

7 *“(A) not later than 1 year after the date of*  
8 *the enactment of this subsection, carry out a na-*  
9 *tional study to compare the rate of exports from*  
10 *each State and major metropolitan region to the*  
11 *availability of Administration staff partici-*  
12 *parting in Export Assistance Centers in such*  
13 *State or region;*

14 *“(B) not later than 2 years after such date*  
15 *of enactment, design a formula to eliminate gaps*  
16 *between supply of, and demand for, such staff in*  
17 *areas with high export volumes; and*

18 *“(C) request the additional staff that are re-*  
19 *quired to eliminate such gaps and place them in*  
20 *those areas.”.*

21 **SEC. 402. INCREASE ACCESS TO CAPITAL FOR SMALL AND**  
22 **MEDIUM-SIZED EXPORTERS.**

23 *Section 7(a) of the Small Business Act (15 U.S.C.*  
24 *636(a)) is amended—*

1           (1) in paragraph (2)(D) by amending the head-  
2           ing to read as follows: “PARTICIPATION UNDER EX-  
3           PORT WORKING CAPITAL AND INTERNATIONAL TRADE  
4           PROGRAMS”; and

5           (2) in paragraph (3)—

6           (A) in subparagraph (A) by striking “sub-  
7           paragraph (B)” and inserting “subparagraphs  
8           (B) and (C)”;

9           (B) by redesignating subparagraphs (B)  
10          and (C) as (C) and (D), respectively;

11          (C) by inserting after subparagraph (A) the  
12          following:

13               “(B) if the total amount outstanding and  
14               committed (by participation or otherwise) solely  
15               for the purposes provided in paragraphs (14)(A)  
16               and (16) to the borrower from the business loan  
17               and investment fund established by this Act  
18               would exceed \$2,250,000 (or if the gross loan  
19               amount would exceed \$3,000,000), except as pro-  
20               vided in subparagraph (C);”; and

21          (D) in subparagraph (C) (as so redesi-  
22          gnated) by striking “\$1,750,000, of which not  
23          more than \$1,250,000” and inserting  
24          “\$2,250,000, of which not more than  
25          \$1,600,000”.





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