Today's legislation tackles one problem faced by small businesses preparing for the Y2K: access to capital. S. 314, the Small Business Year 2000 Readiness Act, would remedy this by providing greater flexibility through the 7(a) program to help businesses deal with their readiness. This legislation will also increase the number and amount of loans available to small businesses. Repayment of loans will be structured to help businesses with their cash flow and in their planning for the coming year.

Mr. Speaker, we should all take the threat that the Year 2000 problem poses to our small business community very seriously. We must continue to work together to make businesses aware of the need to prepare for Y2K, and we must continue finding ways to help small businesses become ready.

S. 314 is a step in that direction. I urge my colleagues to support this legislation.

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

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

Mr. Speaker, in closing, I would like to thank our distinguished ranking member, the gentlewoman from New York (Ms. VELÁZQUEZ), for her work on this legislation.

Mr. Speaker, this is the sixth piece of legislation that the Committee on Small Business has brought before this House in these first months of the 106th Congress. We have moved all these measures on a bipartisan basis and in fact, so far, Mr. Speaker, we have been able to move our legislative agenda on a bicameral basis.

I would like to thank all the members of the committee for making the past few months a success for the committee. I also want to thank the committee staff on both sides of the aisle that worked so effectively to help our committee accomplish its goals.

I do not normally thank staff in these kinds of debates, Mr. Speaker, but I think it is appropriate given the fine work so far. On the Democratic staff, I would like to thank George Randels, Catherine Cruz-Wojtasik, Michael Klier and Michael Day. On the Republican staff, I would like to thank Charles Rowe, Meredith Matty, Dwayne Andrews, Stephanie O'Donnell, Larry McCredy, Paul Denham and Harry Katrichis.

This is a very important piece of legislation, Mr. Speaker, to help our small business community in dealing with what could be a very significant problem. I urge the House to support it.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to speak on behalf of this bill, which encourages our small businesses to address the Y2K computer problem. I support S. 314 as a necessary support tool for small businesses dealing with Y2K.

This bill requires the Small Business Administration (SBA) to establish a new loan program that would give small businesses, who often do not have a great deal of money for capital investment, the opportunity to address the Y2K conversion in a responsible manner.

The Administration has gone through great pains to work through the Y2K bug, and to make sure that the United States survives the transition to next year with minimal discomfort. Among the programs that the Administration has created are several instituted by the SBA and the National Institute of Standards and Technology (NIST), which are aimed exclusively at getting small business on the track to Y2K Compliance.

These programs are vital in my district, and in areas throughout the country, where small businesses are responsible for providing many of the most important services to the community. In many urban neighborhoods, for instance, the largest grocery stores are the mom-and-pop shops on the corner—which would be called "convenience stores" in the suburbs. These small shops are, for many whom do not have cars or whom rely on public transportation, their only source for food and other necessary goods—and we simply cannot afford to have them shut down for any amount of time.

Most of the growth in our economy can be attributed to the revitalization of our small and medium-sized businesses, and we ought to ensure that no phenomenon, whether an act of God or the miscalculation of a computer designed decades ago, will curb that growth. I believe that this, simple bill, has the potential to do a great deal of good, and I, like my colleagues in the Senate, urge its passage.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. TALENT) that the House suspend the rules and pass the Senate bill, S. 314.

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

A motion to reconsider was laid on the table.

□ 1200

GENERAL LEAVE

Mr. TALENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 314.

The SPEAKER pro tempore (Mr. GOODLATTE). Is there objection to the request of the gentleman from Missouri?

There was no objection.

SMALL BUSINESS INVESTMENT IMPROVEMENT ACT OF 1999

Mr. TALENT. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 68) to amend section 20 of the Small Business Act and make technical corrections in title III of the Small Business Investment Act.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Investment Improvement Act of 1999".

SEC. 2. SBIC PROGRAM.

(a) IN GENERAL.—Section 308(i)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 687(i)(2)) is amended by adding at the end the following: "In this paragraph, the term 'interest' includes only the maximum mandatory sum, expressed in dollars or as a percentage rate, that is payable with respect to the business loan amount received by the small business concern, and does not include the value, if any, of contingent obligations, including warrants, royalty, or conversion rights, granting the small business investment company an ownership interest in the equity or increased future revenue of the small business concern receiving the business loan.".

(b) FUNDING LEVELS.—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) in subsection (d)(1)(C)(i), by striking "$800,000,000" and inserting "$1,200,000,000"; and

(2) in subsection (e)(1)(C)(i), by striking "$900,000,000" and inserting "$1,500,000,000".

(c) DEFINITIONS.—

(1) SMALL BUSINESS CONCERN.—Section 103(5) of the Small Business Investment Act of 1958 (15 U.S.C. 662(5)) is amended—

(A) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), and indenting appropriately;

(B) in clause (iii), as redesignated, by adding "and" at the end;

(C) by striking "purposes of this Act, an investment" and inserting the following: "purposes of this Act—

"(A) an investment"; and

(D) by adding at the end the following:

"(B) in determining whether a business concern satisfies net income standards established pursuant to section 3(a)(2) of the Small Business Act, if the business concern is not required by law to pay Federal income taxes at the enterprise level, but is required to pass income through to the shareholders, partners, beneficiaries, or other equitable owners of the business concern, the net income of the business concern shall be determined by allowing a deduction in an amount equal to the sum of—

"(i) if the business concern is not required by law to pay State (and local, if any) income taxes at the enterprise level, the net income (determined without regard to this subparagraph), multiplied by the marginal State income tax rate (or by the combined State and local income tax rates, as applicable) that would have applied if the business concern were a corporation; and

"(ii) the net income (so determined) less any deduction for State (and local) income taxes calculated under clause (i), multiplied by the marginal Federal income tax rate that would have applied if the business concern were a corporation;".

(2) SMALLER ENTERPRISE.—Section 103(12)(A)(ii) of the Small Business Investment Act of 1958 (15 U.S.C. 662(12)(A)(ii)) is amended by inserting before the semicolon at the end the following: "except that, for purposes of this clause, if the business concern is not required by law to pay Federal income taxes at the enterprise level, but is required to pass income through to the shareholders, partners, beneficiaries, or other equitable owners of the business concern, the net income of the business concern shall be determined by allowing a deduction in an amount equal to the sum of—

"(I) if the business concern is not required by law to pay State (and local, if any) income taxes at the enterprise level, the net income (determined without regard to this clause), multiplied by the marginal State income tax rate (or by the combined State and local income tax rates, as applicable) that would have applied if the business concern were a corporation; and

"(II) the net income (so determined) less any deduction for State (and local) income taxes calculated under subclause (I), multiplied by the

marginal Federal income tax rate that would have applied if the business concern were a corporation''.

(d) TECHNICAL CORRECTIONS.—

(1) REPEAL.—Section 303(g) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)) is amended by striking paragraph (13).

(2) ISSUANCE OF GUARANTEES AND TRUST CERTIFICATES.—Section 320 of the Small Business Investment Act of 1958 (15 U.S.C. 687m) is amended by striking ''6'' and inserting ''12''.

(3) ELIMINATION OF TABLE OF CONTENTS.—Section 101 of the Small Business Investment Act of 1958 (15 U.S.C. 661 note) is amended to read as follows:

''SEC. 101. SHORT TITLE.

''This Act may be cited as the 'Small Business Investment Act of 1958'.''.

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

The Chair recognizes the gentleman from Missouri (Mr. TALENT).

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

Mr. Speaker, I want to begin by thanking my colleague, the ranking member of the Committee on Small Business, the gentlewoman from New York (Ms. VELÁZQUEZ) for her assistance in moving this bill, and her help in fashioning it.

The bill before us is almost identical to the measure which was passed by this House at the beginning of last month as the first bill passed through the 106th Congress. The other body acted on this legislation yesterday, and I am pleased to bring it before the House today for purposes of further action, and I hope and trust final passage.

The purpose of H.R. 68 is to make technical corrections to Title III of the Small Business Investment Act. That title authorizes the Small Business Investment Company program. Small Business Investment Companies, or SBICs, are venture capital firms licensed by the Small Business Administration. They use SBA guarantees to leverage private capital for small businesses. The technical corrections proposed by H.R. 68 will improve the flexibility of the SBIC program and allow increased access to this program by small businesses.

I just want to hit today, Mr. Speaker, the major changes of the underlying SBIC Act by H.R. 68.

First, H.R. 68 would change policies which currently reserve leverage for smaller SBICs. We thought at the time the bill was passed this would be necessary to give them a fair shake, but as a matter of fact, we are finding that the SBA's own policies are more than adequate in that regard, and that in fact this has the effect of hurting certain small businesses because it reserves too much of the leverage until the end of the year, so we need to repeal that.

H.R. 68 has a small authorization level for the participating securities segment of the SBIC program. The level would rise from $800 million to $1.2 billion in fiscal year 1999, and from $900 million to $1.5 billion in fiscal year 2000. That is necessary to meet rising demand.

H.R. 68 modifies a test for determining the eligibility of small businesses for SBIC financing, and basically puts S corporations on the same footing as other corporations, and allows them to participate equally in the program.

Finally, H.R. 68 will allow the SBA greater flexibility in issuing trust certificates to finance the SBIC program's investment in small businesses. Current law allows fundings to be issued every 6 months or more frequently. This inhibits the ability of the SBICs and the SBA to form pools of certificates that are large enough to generate serious investor interest, so H.R. 68 allows more time between fundings. That will permit the SBA and the industry to form larger pools for sale in the market.

The Senate's changes to H.R. 68 involve the further fine tuning of the legislation which originated here at the beginning of this Congress. The other body added a technical correction, eliminating the table of contents in the Small Business Investment Act. They reworded the language regarding the small business standard for SBIC investments, and they clarified the formula for addressing taxes so that it is clear that State taxes could not be deducted twice.

Those changes are all acceptable to the committee, to the ranking member and myself. I think they were good changes, if not really significant ones. I would urge the House to accept them.

Again, I want to thank the gentlewoman from New York (Ms. VELÁZQUEZ) and her staff for their assistance in moving the measure before us. I also want to thank the chairman and ranking member of the Committee on Small Business in the other body, Senators KIT BOND and JOHN KERRY and their staffs, for their expeditious action on this important legislation.

I urge my colleagues to adopt the Senate amendments and support H.R. 68.

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

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

Mr. Speaker, I want to take this opportunity to thank the chairman for moving expeditiously this legislation. I rise in strong support of H.R. 68, the Small Business Investment Company Technical Corrections Act. Last month H.R. 68 was the first piece of legislation to pass the 106th Congress. Today, after the Senate has made some technical corrections which clarified the assumed tax provisions, we will once again pass this bipartisan legislation and send it to the President.

As a cosponsor of last year's bill and an original cosponsor of this legislation, I strongly support the improvements we are making to the Small Business Investment Act and the Small Business Investment Company program to date. These changes will only serve to make the SBIC program more efficient and responsive to the needs of small entrepreneurs.

There is no question that the value of the SBIC has been felt across this Nation. SBICs have invested nearly $15 billion in long-term debt and equity capital to over 90,000 small businesses. Over the years, SBICs have given companies like Intel Corporation, Federal Express, and American Airlines the push they needed to succeed. And because of SBICs, millions of jobs have been created and billions of dollars have been added into our economy.

Even as America experiences the longest period of economic growth in decades, there are still many disadvantaged urban and rural communities that are being left behind. One way of bringing economic development and prosperity to more Americans is through the SBIC program.

In fact, SBICs are such a powerful tool that the President's new economic initiatives for the distressed communities which he announced in his State of the Union Address is based on the solid framework of the SBIC program. Today's legislation answers the President's challenge and makes it easier for small businesses, especially in those targeted urban and rural areas, to access the capital that they need.

H.R. 68 ensures that the next Fedexes and AOLs of this country continue to have a fighting chance. The proposal is simple. By streamlining the process and increasing flexibility, SBICs will be able to creatively finance more businesses.

Recently we have also seen the SBIC program expand into new areas. Last year we witnessed the creation of two women-owned SBICs and the establishment of the first Hispanic-owned firm. The changes we are making today are part of an ongoing process that will enable us to provide creative financing to more small businesses more efficiently.

I am pleased once again to join the distinguished chairman in support of the proposed corrections, and I urge the adoption of this legislation.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

Mr. Speaker, I simply would again encourage the House to concur in the Senate amendments to H.R. 68.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. TALENT) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 68.

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TALENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on H.R. 68.

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

There was no objection.

EDWARD N. CAHN FEDERAL BUILDING AND UNITED STATES COURTHOUSE

Mr. FRANKS of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 751) to designate the Federal building and United States courthouse located at 504 Hamilton Street in Allentown, Pennsylvania, as the ''Edward N. Cahn Federal Building and United States Courthouse,'' as amended.

The Clerk read as follows:

H.R. 751

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

SECTION 1. DESIGNATION.

The Federal building and United States courthouse located at 504 West Hamilton Street in Allentown, Pennsylvania, shall be known and designated as the ''Edward N. Cahn Federal Building and United States Courthouse''.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in section 1 shall be deemed to be a reference to the ''Edward N. Cahn Federal Building and United States Courthouse''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. FRANKS) and the gentleman from Mississippi (Mr. SHOWS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FRANKS).

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 751, as amended, the Federal building and United States courthouse in Allentown, Pennsylvania, as the Edward N. Cahn Federal Building and United States Courthouse.

Judge Cahn was born and raised in Allentown, Pennsylvania. It is said Judge Cahn was quite a basketball star where he was part of the Allentown High championship team in 1951. He went on to attend Lehigh University, and graduated magna cum laude in 1955. Judge Cahn was the first Lehigh University basketball player to score 1,000 points during his collegiate career.

After graduating from Yale Law School, Judge Cahn returned to the Lehigh Valley. He was in the United States Marine Corps Reserve until 1964, and active in private law practice until 1974.

In 1975 President Ford appointed Edward Cahn to Pennsylvania's Eastern District Federal Court. For the next 23 years, Judge Cahn fairly and expeditiously administered the law from the Federal bench in Allentown, Pennsylvania, the only judge in the Third Circuit to work out of the Allentown courthouse.

In 1993 Judge Cahn was appointed the court's chief judge until his retirement in December, 1998. This is a deserving honor to an exceptional jurist and a local Lehigh Valley hero. I support this bill, and encourage my colleagues to support it, as well.

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

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

Mr. Speaker, House Resolution 751 is a bill to designate the Federal building and United States courthouse in Allentown, Pennsylvania, as the Edward N. Cahn Federal Building and United States Courthouse.

Judge Cahn has been serving the citizens of Allentown, Pennsylvania, and Lehigh county for four decades. He is a native of Allentown, and attended Lehigh University. He graduated Magna Cum Laude in 1955. After graduating from Yale in 1958, Judge Cahn was admitted to the Lehigh County Court in 1959.

In 1975 President Ford nominated him for the Federal bench in Pennsylvania's Eastern District Court. Judge Cahn worked from the Federal bench for the next 23 years in Allentown. Throughout his long, distinguished legal career Judge Cahn was known for his attention to detail and his fairness. He has been a mentor to others, impressing on other lawyers that all cases are important and deserving of attention. It is very fitting that we acknowledge the outstanding contributions of Judge Cahn by designating the courthouse in Allentown, Pennsylvania, in his honor.

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

Mr. FRANKS of Connecticut. Mr. Speaker, I yield such time as he may consume to the gentleman from Allentown, Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Speaker, I rise today to urge my colleagues to pass H.R. 751, a bill I introduced to name Allentown's Federal courthouse for retired Judge Edward N. Cahn.

Judge Cahn, as a native of Pennsylvania's Lehigh Valley, has honored our community with his service as a Federal judge and the determination he has brought to everything that he has done.

The outpouring of community support to name Allentown's courthouse after Judge Cahn has been substantial and bipartisan. Judges, prosecutors, defenders, corporate attorneys, civil lawyers, and many others have asked that Judge Cahn be honored with this distinction. His childhood friend and colleague, Judge Arnold Rappoport, once said, ''Whether it's being captain of the basketball team at Lehigh University or being in the Marines, he has a pioneering will to achieve. The energy and drive never changed.''

Judge Cahn served on the Federal bench for 23 years, including 5 years as chief judge. As a jurist and a public servant, he instilled the virtue of fairness and equality under the law. He remains the only Federal jurist to come from Lehigh County lawyers. In fact, if it were not for Judge Cahn's influence and enormous efforts, Allentown may not now have this beautiful new courthouse. It is only fitting that this courthouse bear his name.

Beyond the physical structure of the building, Judge Cahn is widely helping with helping Lehigh Valley garner the respect and recognition it deserves within the Federal legal community. Judge Cahn's former law partner, John Roberts, says, the Federal bench has lost a star.

I agree, and I would like to take this opportunity to remind us all that we should not underestimate the importance of a community having representation on the Federal bench. It is something Judge Cahn always believed and stresses to this day.

Federal courts should be reflective of all constituents within their borders. Nothing can substitute for the personal knowledge and experience of living and working in a region. Judges who understand a region's customs and history better understand their jurists, plaintiffs, and defendants.

That is why the Lehigh Valley must have a trial judge on the Federal bench, and why I am committed to working with my colleagues to fill Judge Cahn's seat with a native of the Lehigh Valley.

In conclusion, Judge Cahn is already missed on the Federal bench, but perhaps naming the courthouse after him will serve as an enduring reminder of the contributions he has made to the administration of justice in Pennsylvania.

I would like to thank several people who have been very supportive of this measure: first, the gentleman from Pennsylvania (Mr. HOLDEN), a fellow member of the Pennsylvania delegation; the Committee on Transportation and Infrastructure, and its chairman, the gentleman from Pennsylvania (Mr. BUD SHUSTER), as well as the ranking member, the gentleman from Illinois (Mr. WILLIAM LIPINSKI); the Subcommittee on Buildings and Economic Development, and the chairman, the gentleman from New Jersey (Mr. BOB FRANKS), as well as the ranking member, the gentleman from West Virginia (Mr. ROBERT WISE). I would also like to thank the majority leader, the gentleman from Texas (Mr. DICK ARMEY) for his support in this.

Finally, I urge my colleagues to pass H.R. 751, and give honor to Allentown's courthouse and the man who made it possible.

Mr. SHOWS. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. HOLDEN).