

S. 3487. A bill to amend the Small Business Act to reauthorize and improve the disaster loan program, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Mr. KERRY. Mr. President, June brings the beginning of the 2006 Atlantic Hurricane season, and according to the National Oceanic and Atmospheric Administration, we can expect it to be a busy one. The administration is predicting 13 to 16 named storms, with as many as 4 to 6 predicted to become major hurricanes of category three strength or higher.

As our gulf coast communities learned last fall, it only takes one of these storms to utterly destroy the homes, businesses and lives of millions of Americans. We owe it to the victims of Hurricanes Katrina, Rita and Wilma, as well as to the unsuspecting victims of future disasters, to fix the Federal disaster loan program and build it to be responsive to the needs of disaster victims.

That's why I am introducing the Small Business Disaster Loan Reauthorization and Improvement Act of 2006. This bill seeks to improve coordination between responding agencies in the immediate aftermath of a disaster. The priority of first responders should be addressing the needs of victims, and the laws establishing disaster response should allow for maximum agency collaboration in addressing those needs.

To this end, we have directed the Administrator of the Small Business Administration and the Director of the Federal Emergency Management Agency to coordinate disaster assistance application periods when possible. The Small Business Administration is directed to address any inconsistencies between the Federal regulations and the administration's standard operating procedures that govern the disaster loan program. The Administrator is also directed to work to the maximum extent practicable to gain speedy access to all relevant tax records for loan applicant consideration, and when considering applications, is directed to consider an applicant's credit rating from the day prior to the disaster's occurrence.

The Comptroller General is directed to study the current disaster assistance application and referral process that has resulted in an approval rate of only 35 percent of total disaster loan applicants. The Administrator is also directed to report on how this process can be improved. To increase awareness of available disaster loan assistance, the bill directs the Administrator to develop a proactive marketing plan that will get information on disaster loans in the hands of those who need it. The bill includes an additional study to be conducted by the Comptroller General on industries that may have difficulty accessing disaster loans.

In addition to reauthorizing the disaster loan program for a period of 3 years beginning in 2007, this bill pro-

vides the increased capital that homeowners and small business owners need and currently have trouble accessing following a major disaster. A presidential declaration of catastrophic national disaster will allow the Administrator to offer economic injury disaster loans to adversely affected business owners beyond the geographic reach of the disaster area. In addition, private lenders are encouraged to make disaster loans through the 7(a) and 504 lending programs with reduced fees, and the Administrator is authorized to enter into agreements with private contractors in order to expedite loan application processing for direct disaster loans.

Disaster victims are often in need of capital prior to when traditional assistance programs are available. To address this need, this bill establishes a process for providing Federal bridge loans, allowing States to redirect funding previously designated for Community Development Block Grants and use these funds to provide bridge loans and grants to disaster victims. Having this waiver in place will allow States to ensure that victims have the speedy access to capital while they wait for alternative sources of assistance.

Non-profit entities working to provide services to victims should be rewarded and given access to the capital they require to continue their services. To this end, the Administrator is authorized to make disaster loans to non-profit entities, including religious organizations.

So that businesses are not limited during major disasters by a loan cap that is not sufficient to meet their needs, the bill increases the aggregate amount of loans available to \$10,000,000 during a declared major disaster or a catastrophic national disaster.

This bill strengthens the Stafford Act by requiring a 10 percent goal for local firms to participate in the recovery and reconstruction effort. The bill also encourages the utilization of expedited procurement tools for small, small disadvantaged, service-disabled, and historically underutilized businesses.

Construction and rebuilding contracts being awarded are likely to be larger than the current \$2 million threshold currently applied to the SBA Surety Bond Program which helps small construction firms gain access to contracts. This bill increases the guarantee against loss for small business contracts up to \$5 million and allows the Administrator to increase that level to \$10 million, if deemed necessary.

The bill also allows faster payments to small firms in order to increase their ability to gain access to bonds. To make bonding more attractive to surety providers in the disaster area, the Administrator may wave fees for sureties offering bonding in the disaster area and allows the sureties to use the State-approved rates for bonds awarded in the disaster area.

The bill also provides for small business development centers to offer business counseling in disaster areas, and to travel beyond traditional geographic boundaries to provide services during declared disasters. To encourage small business development centers located in disaster areas to keep their doors open, the maximum grant amount of \$100,000 is waived.

So that Congress may remain better aware of the status of the administration's disaster loan program, this bill directs the administration to report to the Committee on Small Business and Entrepreneurship of the Senate and to the Committee on Small Business of the House of Representatives regularly on the fiscal status of the disaster loan program as well as the need for supplemental funding. The administration is also directed to report on the number of Federal contracts awarded to small businesses, minority-owned small businesses, women-owned businesses, and local businesses during a disaster declaration.

Many small businesses depend on the contributions of America's military reservists, and have been struggling through the months that these brave men and women have served their country through active duty. This bill authorizes the Administrator to provide grants to the smallest of these firms to assist them as they seek to remain open.

Gas prices continue to soar, and fuel dependent small businesses are struggling with the cost of energy. This bill provides relief to small business owners during times of above average energy price increases, authorizing energy disaster loans through the Small Business Administration and the United States Department of Agriculture to companies dependent on fuel.

Residents of the gulf coast continue to rebuild from last year's hurricane season, and they do so despite the slow and inadequate response from their Federal Government. By increasing access to capital for small businesses suffering as a result of a disaster, and by ensuring that Federal agencies charged with disaster response are doing their jobs in a coordinated manner that puts the needs of victims first, we can ensure that the Federal Government is better prepared to respond to future disasters.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 505—AUTHORIZING THE TAKING OF A PHOTOGRAPH IN THE CHAMBER OF THE UNITED STATES SENATE

Mr. FRIST (for himself and Mr. REID) submitted the following resolution; which was considered and agreed to:

S. RES. 505

Resolved. That paragraph 1 of rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol (prohibiting the taking of pictures in the Senate Chamber) be

temporarily suspended for the sole and specific purpose of permitting an official photograph to be taken of Members of the United States Senate on June 13, 2006.

SEC. 2. The Sergeant at Arms of the Senate is authorized and directed to make the necessary arrangements therefore, which arrangements shall provide for a minimum of disruption to Senate proceedings.

SENATE RESOLUTION 506—TO DESIGNATE THE PERIOD BEGINNING ON JUNE 5, 2006, AND ENDING ON JUNE 8, 2006, AS “NATIONAL HEALTH IT WEEK”

Ms. STABENOW (for herself, Ms. SNOWE, Mrs. MURRAY, and Mr. LAUTENBERG) submitted the following resolution; which was considered and agreed to:

S. RES. 506

Whereas the Center for Information Technology Leadership estimated that the implementation of national standards for interoperability and the exchange of health information would save the United States approximately \$77,000,000,000 in expenses relating to healthcare each year;

Whereas the RAND Corporation estimated that, if the healthcare system of the United States implemented the use of computerized medical records, the system could save the United States more than \$81,000,000,000 each year;

Whereas healthcare information technology has been shown to improve the quality and safety of the delivery of healthcare in the United States;

Whereas healthcare information technology and management systems have been recognized as essential tools for improving the quality and cost efficiency of the healthcare system;

Whereas the President and Secretary of Health and Human Services have made a commitment to leveraging the benefits of the healthcare information technology and management systems by establishing of the Office of the National Coordinator for Health Information Technology and the American Health Information Community;

Whereas Congress has placed an emphasis on improving the quality and safety of the delivery of healthcare in the United States; and

Whereas 42 organizations have come together to support National Healthcare IT Week to improve public awareness relating to the potential benefits of improved quality and cost efficiency that the healthcare system could achieve by implementing health information technology: Now, therefore, be it

Resolved, That the Senate designates the period beginning on June 5, 2006, and ending on June 8, 2006, as “National Health IT Week”.

SENATE CONCURRENT RESOLUTION 98—COMMEMORATING THE 39TH ANNIVERSARY OF THE REUNIFICATION OF THE CITY OF JERUSALEM

Mr. BROWNBACK (for himself, Mr. LIEBERMAN, Mr. ALLEN, Ms. COLLINS, Mr. FRIST, Ms. MIKULSKI, Mr. PRYOR, Mr. SANTORUM, Mr. SMITH, Mrs. CLINTON, Mr. REID, Mrs. DOLE, and Mr. INHOFE) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 98

Whereas, for 3,000 years, Jerusalem has been the holiest city of Judaism and the focal point of Jewish religious devotion;

Whereas Jerusalem is also considered a holy city by members of other religious faiths;

Whereas, from 1948 to 1967, Jerusalem was a divided city, and Israeli citizens of all faiths, as well as Jewish citizens of all countries, were denied access to certain holy sites;

Whereas, in 1967, Jerusalem was reunited by Israel during the conflict known as the “Six Day War”;

Whereas, since 1967, Jerusalem has been a united city, and persons of all religious faiths have been guaranteed full access to holy sites within the city;

Whereas this year marks the 39th year that Jerusalem has been administered as a unified city in which the rights of every ethnic and religious group are protected;

Whereas, in 1990, the Senate and House of Representatives overwhelmingly adopted S. Con. Res. 106 (101st Congress) and H. Con. Res. 290 (101st Congress), declaring that Jerusalem, the capital of Israel, “must remain an undivided city” and calling on Israel and the Palestinians to begin negotiations to resolve their differences;

Whereas each sovereign country, under international law and custom, has the right to designate its own capital;

Whereas Jerusalem is the seat of the Government of Israel, including the President, the Parliament, and the Supreme Court;

Whereas the Jerusalem Embassy Act of 1995 (Public Law 104-45; 109 Stat. 398), which became law on November 8, 1995, states as a matter of United States policy that Jerusalem should remain the undivided capital of Israel in which the rights of every ethnic and religious group are protected;

Whereas section 214 of the Foreign Relations Authorization Act, Fiscal Year 2003 (5 U.S.C. 8411 note; Public Law 107-228) directs that the Secretary of State shall, upon the request of a citizen or a legal guardian of a citizen, record the place of birth of a United States citizen born in the city of Jerusalem as Israel: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) congratulates the residents of Jerusalem and the people of Israel on the 39th anniversary of the reunification of that historic city;

(2) strongly believes that Jerusalem must remain an undivided city in which the rights of every ethnic and religious group are protected as they have been by Israel during the past 39 years;

(3) calls upon the President and Secretary of State to publicly affirm, as a matter of United States policy, that Jerusalem must remain the undivided capital of the State of Israel;

(4) strongly urges the President—
(A) to discontinue use of the waiver contained in the Jerusalem Embassy Act of 1995 (Public Law 104-45; 108 Stat. 398);

(B) to carry out the provisions of that Act immediately; and

(C) to begin the process of relocating the United States Embassy in Israel to Jerusalem; and

(5) further urges officials of the United States to carry out section 214 of the Foreign Relations Authorization Act, Fiscal Year 2003 (Public Law 107-228; 116 Stat. 1365).

AMENDMENTS SUBMITTED AND PROPOSED

SA 4194. Mr. CARPER submitted an amendment intended to be proposed by him to the

bill H.R. 8, to make the repeal of the estate tax permanent; which was ordered to lie on the table.

SA 4195. Mr. CARPER submitted an amendment intended to be proposed by him to the bill H.R. 8, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 4194. Mr. CARPER submitted an amendment intended to be proposed by him to the bill H.R. 8, to make the repeal of the estate tax permanent; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. PERMANENT EXTENSION OF ESTATE TAX AS IN EFFECT IN 2009.

(a) EXCLUSION EQUIVALENT OF UNIFIED CREDIT EQUAL TO \$3,500,000.—Subsection (c) of section 2010 of the Internal Revenue Code of 1986 (relating to unified credit against estate tax) is amended to read as follows:

“(c) APPLICABLE CREDIT AMOUNT.—

“(1) IN GENERAL.—For purposes of this section, the applicable credit amount is the amount of the tentative tax which would be determined under section 2001(c) if the sum determined under subsection (b)(1) were equal to the applicable exclusion amount.

“(2) APPLICABLE EXCLUSION AMOUNT.—

“(A) IN GENERAL.—For purposes of this subsection, the applicable exclusion amount is \$3,500,000.

“(B) INFLATION ADJUSTMENT.—In the case of any decedent dying in a calendar year after 2010, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting ‘calendar year 2009’ for ‘calendar year 1992’ in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of \$10,000, such amount shall be rounded to the nearest multiple of \$10,000.”

(b) MAXIMUM ESTATE TAX RATE EQUAL TO 45 PERCENT.—Subsection (c) of section 2001 of the Internal Revenue Code of 1986 (relating to imposition and rate of tax) is amended—

(1) by striking “but not over \$2,000,000” in the table contained in paragraph (1),

(2) by striking the last 2 items in such table,

(3) by striking “(1) IN GENERAL.—”, and

(4) by striking paragraph (2).

(c) MODIFICATIONS OF ESTATE AND GIFT TAXES TO REFLECT DIFFERENCES IN UNIFIED CREDIT RESULTING FROM DIFFERENT TAX RATES.—

(1) ESTATE TAX.—

(A) IN GENERAL.—Section 2001(b)(2) of the Internal Revenue Code of 1986 (relating to computation of tax) is amended by striking “if the provisions of subsection (c) (as in effect at the decedent’s death)” and inserting “if the modifications described in subsection (g)”.

(B) MODIFICATIONS.—Section 2001 of such Code is amended by adding at the end the following new subsection:

“(g) MODIFICATIONS TO GIFT TAX PAYABLE TO REFLECT DIFFERENT TAX RATES.—For purposes of applying subsection (b)(2) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the decedent’s death shall, in lieu of the rates of tax