

suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules.

SMALL BUSINESS INVESTMENT COMPANY TECHNICAL CORRECTIONS ACT OF 1999

Mr. TALENT. Mr. Speaker, I move to suspend the rules and pass 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, as amended.

The Clerk read as follows:

H.R. 68

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Investment Company Technical Corrections 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) TECHNICAL CORRECTIONS.—Title III of the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) is amended—

(1) in section 303(g) (15 U.S.C. 683(g)), by striking paragraph (13);

(2) in section 308 (15 U.S.C. 687) by adding at the end the following:

"(j) For the purposes of sections 304 and 305, in any case in which an incorporated or unincorporated business is not required by law to pay Federal income taxes at the enterprise level, but is required to pass income through to its shareholders or partners, an eligible small business or smaller enterprise may be determined by computing the after-tax income of such business by deducting from the net income an amount equal to the net income multiplied by the combined marginal Federal and State income tax rate for corporations."; and

(3) in section 320 (15 U.S.C. 687m), by striking "6" and inserting "12".

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, this is an important measure, but before we get to it, I yield such time as he may consume to the gentleman from Ohio (Mr. TRAFICANT) who has another very important subject he wishes to discuss before the House.

(Mr. TRAFICANT asked and was given permission to speak out of order.)

TRIBUTE TO CHARLES BILLY MALRY

Mr. TRAFICANT. Mr. Speaker, I want to thank the distinguished gentleman for yielding me this time, and I rise to pay tribute to one of ours that has passed on, Charles Billy Malry, the gentleman, the tall black fellow that stood there working for the Clerk who for many years, 16 years, served this House. Five children he leaves, grandchildren, but more importantly he loved boxing, he loved photography, but he loved this House and he loved, admired and respected the Members of this House.

On behalf of everyone who knows Bill and was a friend of Bill, who always had a smile and always engaged us, always willing to contact us for need and to all his family, our deepest sympathy. The House will certainly miss his tremendous service.

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

I thank the gentleman for remembering Mr. Malry. It is a good opportunity for us all to remember the staff who supports our work and supports the work we do on behalf of the country. They are, in a very enduring sense, the House, and the Congress, and I appreciate the gentleman and his comments and join them.

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

Mr. Speaker, the purpose of H.R. 68 is to make technical corrections to Title III of the Small Business Investment Act. Title III authorizes the Small Business Investment Company program. Small business investment companies, or SBICs, are venture capital firms licensed by the Small Business Administration that use SBA guarantees to leverage private capital for investment in 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 business.

Congress revamped the SBIC program during the 103rd Congress to provide for a new form of leverage geared specifically toward equity investment in small businesses. Over the past few years as the new program has become established, certain deficiencies have come to light; and, in addition, certain

statutory provisions have become obsolete.

H.R. 68 seeks to correct these deficiencies and remove provisions that may produce confusion due to changes in law and the character of the SBIC program.

First, H.R. 68 will modify the SBIC program to exclude contingent obligations from the calculation of interest and loans made by SBICs. These contingent obligations include financial tools like royalties, warrants, conversion rights and options.

Second, under H.R. 68, a provision in the Small Business Investment Act that reserves leverage for smaller SBICs will also be repealed. Changes in SBA policy regarding applications for leverage, statutory changes in the availability of commitments for SBICs and the makeup of the industry present the possibility that that provision may in fact create conflicts and confusion.

Third, H.R. 68 will increase the authorization levels for the participating securities segment of the SBIC program. The authorization levels will rise from \$800 million to \$1.2 billion in fiscal year 1999 and from \$900 million to \$1.5 billion in fiscal year 2000. These increases are necessary to meet the rising demand for this section of the SBIC program. Mr. Speaker, they in no way reflect the general revenue subsidy, simply the amount in the authorization levels for the program itself.

Fourth, H.R. 68 modifies the test for determining the eligibility of small businesses for SBIC financing. Current statutory language does not account for small businesses organized in pass-through tax structures such as S corporations, limited liability companies and partnerships.

Finally, H.R. 68 will allow the SBA greater flexibility in issuing trust certificates to finance the SBIC program's investments 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. Allowing more time between fundings will permit SBA and the industry to form larger pools for sale in the market, thereby increasing investor interest and improving the interest rates for the small businesses financed.

Mr. Speaker, this bill is important work. It will have a real impact on the businesses in this country seeking start-up financing and, at the end of the day, that is the most important part of our job.

Let me again thank the gentlewoman from New York (Ms. VELÁZQUEZ) and her staff for their assistance in moving the measure before us.

Mr. Speaker, I urge my colleagues to 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. I would like to thank the gentleman from Missouri for moving forward this bill in a bipartisan process and including me in this process.

I rise in strong support of H.R. 68, the Small Business Investment Company Technical Corrections Act. As a cosponsor of last year's bill and an original cosponsor of this legislation, I strongly support the improvements we will consider to the Small Business Investment Act and the Small Business Investment Company program today. 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 SBICs 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 past years, SBICs have given companies like Intel Corporation, Federal Express and America Online 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 development initiative for these distressed communities, which he announced in the State of the Union address, is based on the solid framework of the SBIC program. By passing today's legislation, we are answering the President's challenge and making it easier for small businesses, especially in those targeted urban and rural areas, to access the capital that they need.

Today's legislation ensures that the next Fed Ex's and AOLs of this country continue to have a fighting chance. The proposal is simple. It will make five technical corrections to the Small Business Investment Company Act that will help SBICs and small businesses alike. By streamlining the process and increasing flexibility, SBICs will be able to creatively finance more businesses.

The changes under discussion today will provide SBICs and small business with important tools like equity features. This proposal will not only improve a business' cash flow but will also create a sound investment for the SBIC.

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.

By increasing funding levels, we can build on the growing popularity of the SBIC program and make it a vehicle for achieving greater investment returns from historically underserved markets, such as women, minorities and inner cities.

Additionally, by giving the SBIC program greater flexibility and ensuring investment guarantees, small businesses will be assured lower interest rates. The bill also confirms that most small businesses, regardless of their chosen business form, are eligible for SBIC financing.

Finally, we would clarify SBA's role in ensuring equitable distribution and management of its participating securities to SBICs of all sizes. These changes are part of an ongoing process that will enable us to provide creative financing to more small businesses more efficiently.

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

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, first of all let me commend the gentleman from Missouri (Mr. TALENT) and the gentlewoman from New York (Ms. VELÁZQUEZ) for bringing this important legislation to the floor.

I rise today in support of H.R. 68, the Small Business Investment Company Technical Corrections Act. Congress created the Small Business Investment Company program to ensure that independent small businesses have access to long-term financial and venture capital resources. In my district as well as districts throughout America, there are many small businesses eager to take advantage of these resources, resources that have been made available to them by SBICs which offer a wealth of opportunity, such as long-term loans of up to 20 years, all funds for working capital and equipment, or help for companies to expand or renovate their facilities.

Mr. Speaker, I believe that this bill will add another layer of financing for our Nation's budding small businesses. I urge all of my colleagues to vote in favor of it.

We all know that small businesses are the foundation of our economy, and any effort to keep them alive, viable and thriving is worthy of our support and the support of all Members of this distinguished body. Therefore, again, I am pleased to join with my colleagues on the Committee on Small Business.

Again, I commend and congratulate the chairman, the gentleman from Missouri (Mr. TALENT) and the ranking member, the gentlewoman from New York (Ms. VELÁZQUEZ), and urge passage of this important legislation.

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

the gentleman from Kansas (Mr. MOORE).

Mr. MOORE. Mr. Speaker, today I am speaking in support of H.R. 68, the Small Business Investment Company Technical Corrections Act, because the success of small businesses is ultimately linked to their ability to obtain investment capital.

The Small Business Investment Act has largely met the growing demands to obtain credit and equity investment capital. This is evident in my own district where an SBIC, Kansas City equity partners, invested in Organized Living, a local storage organization business. Today, through the assistance of the SBIC, this business has grown to a 6-store, 20-plus million dollar storage company.

The changes offered in this bill will strengthen these public/private partnerships to provide small businesses like Organized Living greater access to investment capital. It will also lower interest rates on loans and better cash flow. These improvements will allow small businesses to continue to create jobs and add billions of dollars to our economy.

Mr. Speaker, as a newly-appointed member of the Committee on Small Business and an original cosponsor of H.R. 68, I urge my colleagues to support this measure.

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

Mr. Speaker, the biggest challenge facing our Nation's business is access to capital. For small businesses, access to capital means access to opportunity, and by passing the Small Business Investment Company Technical Corrections Act today, we can take an important step toward giving small businesses a chance to take advantage of that opportunity.

The SBIC program has an impressive history of helping small businesses grow and expand. The work done by SBIC is especially critical now as everyday more and more private venture dollars are sent overseas to help support companies that compete with U.S. businesses.

The SBIC program helps level the playing field for American business by focusing solely on helping domestic small businesses. These are companies that create the bulk of American jobs.

Furthermore, SBICs fill a unique gap by providing capital to companies that need smaller loans which are not generally made by large banks or lending institutions. The competitiveness that SBIC provides our small businesses helps strengthen our American economy.

The changes that will result from H.R. 68 will provide SBICs with the flexibility to offer more loans, increase the amount of available funding and lower interest rates.

Today's measure will help SBICs build on their already impressive work

and pave the way for future small business success stories. I urge everyone to support the Small Business Investment Company Technical Corrections Act. Vote yes on H.R. 68.

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

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

Mr. Speaker, we have had discussion here on the floor about the importance of this bill, and I appreciate the gentleman's comments about the importance of this program. It is the only equity investment program as opposed to loan program in which the Federal Government plays a part for small business and it is therefore particularly important.

Those of us who are familiar with small business start-ups and expansion know that there are many small businesses that need investment, rather than additional loans. They are carrying enough debt but they needed some additional money put into the business. The SBIC program is the avenue for accomplishing that. We have nurtured it and shepherded it over the years and it is doing extremely well.

This bill is necessary in order for the program to continue moving forward, and I would appreciate the House's support for H.R. 68.

Once again, I want to express my appreciation to the distinguished gentleman from New York (Ms. VELÁZQUEZ).

Mr. Speaker, I have no more speakers and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BURR of North Carolina). The question is on the motion offered by the gentleman from Missouri (Mr. TALENT) that the House suspend the rules and pass the bill, H.R. 68, as amended.

The question was taken.

Mr. TALENT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

DANTE B. FASCELL NORTH-SOUTH CENTER

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 432) to designate the North/South Center as the Dante B. Fascell North-South Center

The Clerk read as follows:

H.R. 432

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

SECTION 1. DESIGNATION OF NORTH/SOUTH CENTER AS THE DANTE B. FASCELL NORTH-SOUTH CENTER.

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2075) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) SHORT TITLE.—This section may be cited as the “Dante B. Fascell North-South Center Act of 1991”;

(2) in subsection (c)—

(A) by amending the subsection heading to read as follows: “DANTE B. FASCELL NORTH-SOUTH CENTER.—”; and

(B) by striking “known as the North/South Center,” and inserting “which shall be known and designated as the Dante B. Fascell North-South Center.”; and

(3) in subsection (d), by striking “North/South Center” and inserting “Dante B. Fascell North-South Center”.

SEC. 2. REFERENCES.

(a) CENTER.—Any reference in any other provision of law to the educational institution in Florida known as the North/South Center shall be deemed to be a reference to the “Dante B. Fascell North-South Center”.

(b) SHORT TITLE.—Any reference in any other provision of law to the North/South Center Act of 1991 shall be deemed to be a reference to the “Dante B. Fascell North-South Center Act of 1991”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. GEJDENSON) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

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

Mr. Speaker, it is with a great deal of pleasure that I bring a bill before the House to honor our esteemed former colleague, the distinguished chairman of the Committee on International Relations, Dante Fascell. Our friend and colleague, Dante Fascell, regrettably passed away on November 29 after a long illness. On October 29, one month before Congressman Fascell died, President Clinton honored him at Cape Canaveral, Florida, with our Nation's highest civilian honor, the Medal of Freedom. Well over 100 Members of Congress signed what the White House termed the most bipartisan petition for the Medal of Freedom that they had ever seen.

Mr. Speaker, this bill renames the educational institution known as the North/South Center as the Dante B. Fascell North-South Center. Chairman Fascell was responsible for establishing that center in 1991 to help us promote better relations between our Nation and the nations of Latin America, the Caribbean and Canada through cooperative study, training and research.

During his tenure on the Committee on Foreign Affairs, Dante Fascell was instrumental in enacting an astonishing array of bills that significantly advanced Americans' interest abroad, and those included the creation of the National Endowment for Democracy, Radio Marti, and the Inter-American Foundation. Congressman Fascell also authored and advanced numerous bills to improve international narcotics control and aviation safety, as well as securing passage of the Freedom Support and SEED Acts, the Fascell Fellow-

ships and the biennial State Department authorization bills. Dante Fascell also was a driving force behind establishing the Committee on Security and Cooperation in Europe.

Today we recognize the significant contributions that former Chairman Fascell made to U.S.-Latin American relations and indeed to so many other aspects of our Nation's foreign policy. He was a dedicated legislator and statesman. It is a privilege to sponsor this measure with our committee's ranking Democratic member, the distinguished gentleman from Connecticut (Mr. GEJDENSON). This is only a modest gesture to recognize a truly great American.

Mr. Speaker, tomorrow we will be honoring the memory of Congressman Fascell in a ceremony in our Foreign Affairs Committee room, and I urge our colleagues to join us on that occasion.

I ask support for this measure, Mr. Speaker.

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

Mr. GEJDENSON. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in support of the bill. I had the privilege of serving under Chairman Fascell for many years, and I think what we are doing here today is obviously an appropriate response. But we could really go to almost any corner of the globe and look at the tremendous work that Dante did. There was no place where humans were in suffering, where there was a crisis, that Dante Fascell did not take a leadership role in trying to resolve that crisis, to relieve that pain.

But it is appropriate, looking at the place where he had his greatest focus, settling in Florida early in this century, he recognized before most of the rest of the country did how critical this North/South relationship would be, economically and politically, and for his years in the Congress he led the fight to make sure that we engaged our Latin American neighbors on an equal footing, trying to help nurture their democratic institutions and their economies.

What we do here today is a small part of the honor that Dante deserves. We all miss him, and we all admire and respect his great accomplishments.

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

Mr. GEJDENSON. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the distinguished ranking member, the gentleman from Connecticut (Mr. GEJDENSON), for yielding this time to me, and I thank the distinguished gentleman from New York (Mr. GILMAN) for bringing this measure to the floor.