

(4) By striking paragraph (3) of subsection (a) of the first section and inserting the following:

“(3)(A) The members of the Working Group shall act as official observers on the United States delegation to any negotiations, to which the United States is a party, on any of the following:

“(i) Reduction, limitation, or control of conventional weapons, weapons of mass destruction, or the means for delivery of any such weapons.

“(ii) Reduction, limitation, or control of missile defenses.

“(iii) Export controls.

“(B) In addition, the Working Group is encouraged to consult with legislators of foreign nations, including the members of the State Duma and Federal Council of the Russian Federation and, as appropriate, legislators of other foreign nations, regarding matters described in subparagraph (A).

“(C) The Working Group is not authorized to investigate matters relating to espionage or intelligence operations against the United States, counterintelligence operations and activities, or other intelligence matters within the jurisdiction of the Select Committee on Intelligence under Senate Resolution 400 of the Ninety-Fourth Congress, agreed to on May 19, 1976.”

(5) In paragraph (4) of subsection (a) of the first section—

(A) in subparagraph (A)—

(i) by striking “Five” in the matter preceding clause (i) and inserting “Seven”;

(ii) by striking “two” in clause (ii) and inserting “three”; and

(iii) by striking “two” in clause (iii) and inserting “three”;

(B) in subparagraph (C), by striking “Six” and inserting “Five”; and

(C) in subparagraph (D), by striking “Seven” and inserting “Six”.

(6) In section 2(b)(3), by striking “five”.

(7) In the second sentence of section 3(a)—  
(A) by striking “\$380,000” and inserting “\$500,000”; and

(B) by striking “except that not more than” and inserting “of which not more than”.

(8) By striking section 4.

(9) By amending the title to read as follows: “Resolution reconstituting the Senate Arms Control Observer Group as the Senate National Security Working Group, and revising the authority of the Group.”

#### MAKING TECHNICAL CORRECTIONS TO THE MICROLOAN PROGRAM

Mr. ENZI. Mr. President, I ask unanimous consent that the Committee on Small Business be discharged from further consideration of H.R. 440, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 440) to make technical corrections in the Microloan Program.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. KERRY. Mr. President, tonight the Senate will vote on H.R. 440, the Microloan Program Technical Correc-

tions Act of 1999. I urge my colleagues to support this Act which, including my amendment, makes important changes to the Small Business Administration's (SBA) Microloan program. It revises the loan loss reserve requirement for microlenders and makes changes that will more equitably distribute the microloan dollars available to each state. Ultimately, these changes will allow microlenders and intermediaries to make more loans and offer more technical assistance to our Nation's small businesses.

Most of my colleagues know that microloans and technical assistance are effective and powerful economic development tools because they voted to make the SBA's microloan program a permanent part of the Agency's lending programs in 1997.

Let's look at the record since the SBA's microloan pilot program was launched in 1991. It has provided more than 7,900 microloans, worth some \$80.3 million. For every microloan, 1.7 jobs are created. And, if a borrower was a welfare recipient, it is common for them to hire other welfare recipients. As the program was intended to do, a great percentage of microloans have gone to traditionally underserved groups, including 45 percent to women-owned businesses, 39 percent to minority-owned businesses and 11 percent to veteran-owned businesses. Voting for these measures will be a vote to make a good program better.

Specifically, this legislation revises the loan loss reserve requirement (a cash reserve to guarantee that the government is paid back if a loan defaults) for microlenders by setting a 15-percent ceiling and a 10-percent floor. After a microloan intermediary has participated in the SBA Microloan program for five years and demonstrated its ability to maintain a healthy loan fund, it can request that SBA review and, when appropriate, reduce its loan loss reserve from 15 percent to a percentage based on its average loan loss rate for the five-year period. The proposed change would continue to protect the government's interest in microloans as well as enhance the program by freeing up cash which microlenders could reprogram for more microloans or technical assistance to small business owners.

With my amendment, this legislation establishes a floor for the distribution of microloan funds available to the states, including the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa. Depending on the amount of appropriations, the SBA must provide the lesser of either \$800,000 or the even division of the funds among the 55 states. For any monies that exceed \$44 million (\$800,000 x 55 states), the Administration has the discretion to decide how to distribute the microloan funds. The Administra-

tion also has the discretion to distribute any additional money that is left over at the beginning of the third quarter of a fiscal year.

Mr. President, in Massachusetts and across the country, microloans and technical assistance are working; assisting individuals with the tools to successfully start and manage their own business. I thank my colleagues for their past support of small business and urge them to vote for H.R. 440 as amended.

AMENDMENT NO. 248

(Purpose: To provide for the equitable allocation of appropriated amounts)

Mr. ENZI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. ENZI], for Mr. KERRY, proposes an amendment numbered 248.

Mr. ENZI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, strike lines 7 through 20, and insert the following:

(1) in paragraph (7), by striking subparagraph (B) and inserting the following:

“(B) ALLOCATION.—

“(i) MINIMUM ALLOCATION.—Subject to the availability of appropriations, of the total amount of new loan funds made available for award under this subsection in each fiscal year, the Administration shall make available for award in each State (including the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa) an amount equal to the sum of—

“(I) the lesser of—

“(aa) \$800,000; or

“(bb) 1/55 of the total amount of new loan funds made available for award under this subsection for that fiscal year; and

“(II) any additional amount, as determined by the Administration.

“(ii) REDISTRIBUTION.—If, at the beginning of the third quarter of a fiscal year, the Administration determines that any portion of the amount made available to carry out this subsection is unlikely to be made available under clause (i) during that fiscal year, the Administration may make that portion available for award in any 1 or more States (including the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa) without regard to clause (i).”; and

Mr. ENZI. Mr. President, I ask unanimous consent that the amendment be agreed to, the motion to reconsider be laid upon the table, the bill, as amended, be considered read the third time, passed, and the motion to reconsider be laid upon the table, all without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 248) was agreed to.

The bill (H.R. 440), as amended, was considered read the third time and passed.