

passage of H.R. 3355, pursuant to Public Law 101-508, section 13101(a) (104 Stat. 1388-582); to the Committee on Government Operations.

#### 110.4 APPOINTMENT OF ADDITIONAL CONFEREES—H.R. 6

The SPEAKER pro tempore, Mr. MONTGOMERY, by unanimous consent and pursuant to clause 6(f) of rule X, announced the appointment of the following Member as an additional conferee on the part of the House to the conference with the Senate on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6) to extend for six years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes:

As an additional conferee from the Committee on Education and Labor, for consideration of the House bill and Senate amendment (except sections 601-03 and 801-05), and modifications committed to conference:

Mr. MILLER of California.

*Ordered*, That the Clerk notify the Senate of the foregoing appointment.

#### 110.5 SMALL BUSINESS REAUTHORIZATION

The SPEAKER pro tempore, Mr. MONTGOMERY, pursuant to House Resolution 494 and rule XXIII, declared the House resolved into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 4801) to amend the Small Business Act, and for other purposes.

The SPEAKER pro tempore, Mr. MONTGOMERY, by unanimous consent, designated Mr. WATT as Chairman of the Committee of the Whole.

The Acting Chairman, Mr. KOPETSKI, assumed the Chair; and after some time spent therein,

The SPEAKER pro tempore, Mr. KLECZKA, assumed the Chair.

When Mr. WATT, Chairman, pursuant to House Resolution 494, reported the bill back to the House with an amendment adopted by the Committee.

The previous question having been ordered by said resolution.

The following amendment, reported from the Committee of the Whole House on the state of the Union, was agreed to:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Small Business Reauthorization and Amendment Act of 1994".

### TITLE I—AUTHORIZATIONS

#### SEC. 101. AUTHORIZATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by striking all of such section after subsection (k), as added by section 115(a) of the Small Business Credit and Business Opportunity Enhancement Act of 1992, and by inserting in lieu thereof the following:

"(l) The following program levels are authorized for fiscal year 1995:

"(1) For the programs authorized by this Act, the Administration is authorized to make \$142,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make

\$12,000,000 in loans as provided in section 7(a)(10) and \$130,000,000 in loans as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make \$11,535,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) \$9,315,000,000 in general business loans as provided in section 7(a);

"(B) \$2,200,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958; and

"(C) \$20,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) \$23,000,000 in purchases of preferred securities;

"(B) \$244,000,000 in guarantees of debentures, of which \$44,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) \$400,000,000 in guarantees of participating securities.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed \$1,800,000,000, of which not more than \$600,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) For the Service Corps of Retired Executives program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed \$3,500,000, and for the small business institute program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed \$3,000,000.

"(m) There are authorized to be appropriated to the Administration for fiscal year 1995 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(n) The following program levels are authorized for fiscal year 1996:

"(1) For the programs authorized by this Act, the Administration is authorized to make \$198,000,000 in direct and immediate participation loans; and of such sum the Administration is authorized to make \$13,000,000 in loans as provided in section 7(a)(10) and \$185,000,000 in loans as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make \$13,465,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) \$10,935,000,000 in general business loans as provided in section 7(a);

"(B) \$2,500,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958; and

"(C) \$30,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) \$24,000,000 in purchases of preferred securities;

"(B) \$256,000,000 in guarantees of debentures, of which \$46,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) \$650,000,000 in guarantees of participating securities.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed \$1,800,000,000, of which not more than \$600,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) For the Service Corps of Retired Executives program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed \$3,675,000, and for the small business institute program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed \$3,150,000.

"(o) There are authorized to be appropriated to the Administration for fiscal year 1996 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(p) The following program levels are authorized for fiscal year 1997:

"(1) For the programs authorized by this Act, the Administration is authorized to make \$264,000,000 in direct and immediate participation loans; and of such sum the Administration is authorized to make \$14,000,000 in loans as provided in section 7(a)(10) and \$250,000,000 in loans as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make \$17,215,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) \$14,175,000,000 in general business loans as provided in section 7(a);

"(B) \$3,000,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958; and

"(C) \$40,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) \$25,000,000 in purchases of preferred securities;

"(B) \$268,000,000 in guarantees of debentures, of which \$48,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) \$900,000,000 in guarantees of participating securities.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed \$1,800,000,000, of which not more than \$600,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) For the Service Corps of Retired Executives program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed \$3,860,000, and for the small business institute program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed \$3,310,000.

"(q) There are authorized to be appropriated to the Administration for fiscal year 1997 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section

7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.”.

## TITLE II—FINANCIAL ASSISTANCE PROGRAMS

### SEC. 201. MICROLOAN FINANCING PILOT.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended by adding the following new paragraph at the end:

“(12) DEFERRED PARTICIPATION LOAN PILOT.—During fiscal years 1995 through 1997, on a pilot basis, in lieu of making direct loans to intermediaries as authorized in paragraph (1)(B), the Administration may participate on a deferred basis of up to 100 percent on loans made to intermediaries by a for-profit or non-profit entity or by alliances of such entities subject to the following conditions:

“(A) NUMBER OF LOANS.—The Administration shall not participate in providing financing on a deferred basis to more than ten intermediaries in urban areas per year and to more than ten intermediaries in rural areas per year.

“(B) TERM OF LOANS.—The term of such loans shall be ten years. During the first five years of the loan, the intermediary shall be required to pay interest only; and during the second five years of the loan, the intermediary shall be required to fully amortize principal and interest payments.

“(C) INTEREST RATE.—The interest rate on such loans shall be the rate specified by paragraph (3)(F) for direct loans.”.

### SEC. 202. MICROLOAN STATE LIMITATION.

Section 7(m)(7)(C) of the Small Business Act (15 U.S.C. 636(m)(7)(C)) is repealed.

### SEC. 203. LIMIT ON PARTICIPATION.

Section 7(m)(7)(A) of the Small Business Act (15 U.S.C. 636(m)(7)(A)) is amended to read as follows:

“(A) NUMBER OF PARTICIPANTS.—During this demonstration program, the Administration is authorized to fund, on a competitive basis, not more than 240 microloan programs.”.

### SEC. 204. EQUITABLE DISTRIBUTION.

Section 7(m)(8) of the Small Business Act (15 U.S.C. 636(m)(8)) is amended to read as follows:

“(8) EQUITABLE DISTRIBUTION OF INTERMEDIARIES.—In approving microloan program applicants, the Administration shall select participation by such intermediaries as will ensure appropriate availability of loans to small businesses located in urban areas and in rural areas.”.

### SEC. 205. AMOUNT OF LOANS TO INTERMEDIARIES.

Section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)) is amended to read as follows:

“(C) LOAN LIMITS.—In determining the amount of funding which the Administration may provide to one intermediary, it shall take into consideration the small business population in the area served by the intermediary.”.

### SEC. 206. LOANS TO EXPORTERS.

Section 7(a)(14)(A) of the Small Business Act (15 U.S.C. 636(a)(14)(A)) is amended to read as follows:

“(A) The Administration may provide extensions, standby letters of credit, revolving lines of credit for export purposes, and other financing to enable small business concerns, including small business export trading companies and small business export management companies, to develop foreign markets. A bank or participating lending institution may establish the rate of interest on such financings as may be legal and reasonable.”.

### SEC. 207. WORKING CAPITAL INTERNATIONAL TRADE LOANS.

Section 7(a)(3)(B) of the Small Business Act (15 U.S.C. 636(a)(3)(B)) is amended to read as follows:

“(B) if the total amount outstanding and committed (on a deferred basis) solely for the purposes provided in paragraph (16) to the borrower from the business loan and investment fund established by this Act would exceed \$1,250,000, of which not more than \$750,000 may be used for working capital, supplies, or financings under section 7(a)(14) for export purposes; and”.

### SEC. 208. GUARANTEES ON INTERNATIONAL TRADE LOANS.

Section 7(a)(2)(B)(iv) of the Small Business Act (15 U.S.C. 636(a)(2)(B)(iv)) is amended to read as follows:

“(iv) not less than 85 percent nor more than 90 percent of the financing outstanding at the time of disbursement if such financing is a loan under paragraph (14) or under paragraph (16).”.

### SEC. 209. ACCREDITED LENDERS PROGRAM.

(a) Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following new section:

#### “SEC. 507. ACCREDITED LENDERS PROGRAM.

“(a) The Administration is authorized to establish an Accredited Lenders Program for qualified State and local development companies which meet the requirements of subsection (b).

“(b) The Administration may designate a qualified State or local development company as an accredited lender if such company—

“(1) has been an active participant in the development company program for at least the last 12 months;

“(2) has well-trained, qualified personnel who are knowledgeable in the Administration's lending policies and procedures for the development company program;

“(3) has the ability to process, close, and service financing for plant and equipment under section 502 of this Act;

“(4) has a loss rate on its debentures that is acceptable to the Administration;

“(5) has a history of submitting to the Administration complete and accurate debenture guaranty application packages; and

“(6) has demonstrated the ability to serve small business credit needs for financing plant and equipment as provided in section 502 of this Act.

“(c) The Administration shall expedite the processing of a loan application or servicing action submitted by a qualified State or local development company that has been designated as an accredited lender in accordance with subsection (b).

“(d) The designation of a qualified State or local development company as an accredited lender may be suspended or revoked if the Administration determines that the development company has not continued to meet the criteria for eligibility under subsection (b) or that the development company has failed to adhere to the Administration's rules and regulations or is violating any other applicable provision of law. Suspension or revocation shall not affect any outstanding debenture guarantee.

“(e) For purposes of this section, the term ‘qualified State or local development company’ has the same meaning as in section 503(e).”.

(b) The Administration shall promulgate regulations to carry out this section within 90 days of the date of the enactment of this Act.

(c) The Administration shall report to the Small Business Committee of the United States Senate and to the Small Business Committee of the United States House of

Representatives within one year, and annually thereafter, on the implementation of this section, specifically including data on the number of development companies designated as accredited lenders, their debenture guarantee volume, their loss rates, and the average processing time on their guarantee applications, along with such other information as the Administration deems appropriate.

### SEC. 210. PREMIER LENDERS PROGRAM.

(a) Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is further amended by adding at the end the following new section:

#### “SEC. 508. PREMIER LENDERS PROGRAM.

“(a) The Administration is authorized to establish a Premier Lenders Program for certified development companies which meet the requirements of subsection (b).

“(b) The Administration may designate a participant in the accredited lenders program as a premier lender if such company—

“(1) has been an active participant in the accredited lenders program for at least the last 12 months: *Provided*, That prior to January 1, 1996, the Administration may waive this provision if the applicant is qualified to participate in the accredited lenders program;

“(2) has a history of submitting to the Administration adequately analyzed debenture guarantee application packages; and

“(3) agrees to assume and to reimburse the Administration for 5 percent of any loss sustained by the Administration on account of default by the certified development company in the payment of principal or interest on a debenture issued by such company and guaranteed by the Administration under this section.

“(c) Upon approval of an applicant as a premier lender, the certified development company shall establish a loss reserve in an amount equal to the anticipated losses to the certified development company pursuant to subsection (b)(3) based upon the historic loss rate on debentures issued by such company, or 3 percent of the aggregate principal amount of debentures issued by such company and guaranteed by the Administration under this section, whichever is greater. The loss reserve shall be comprised of segregated assets of the development company which shall be securitized in favor of the Administration or of such unqualified letters of credit or indemnity agreements from a third party as the Administration deems appropriate.

“(d) Upon designation and qualification of a company as a premier lender, and subject to such terms and conditions as the Administration may determine, and notwithstanding the provisions of section 503(b)(6), the Administration may permit a premier lender to approve loans to be funded with the proceeds of and to authorize the guarantee of a debenture issued by such company. The approval by the premier lender shall be subject to the final approval as to eligibility of any such guarantee by the Administration pursuant to subsection 503(a) of this Act, but such final approval shall not include decisions by the company involving creditworthiness, loan closing, or compliance with legal requirements imposed by law or regulation.

“(e) The designation of a qualified State or local development company as a premier lender may be suspended or revoked if the Administration determines that the company—

“(1) has not continued to meet the criteria for eligibility under subsection (b);

“(2) has not established or maintained the loss reserve required under subsection (c); or

“(3) is failing to adhere to the Administration's rules and regulations or is violating any other applicable provision of law.

"(f) Suspension or revocation shall not affect any outstanding debenture guarantee."

(b) The Administration shall promulgate such regulations to carry out this section within 180 days of the date of the enactment of this Act.

(c) The Administration shall report to the Small Business Committee of the United States Senate and to the Small Business Committee of the United States House of Representatives within one year, and annually thereafter, on the implementation of this section, specifically including data on the number of development companies designated as premier lenders, their debenture guarantee volume, and the loss rate for premier lenders as compared to accredited and other lenders, along with such other information as the Administration deems appropriate.

(d) Section 508 of the Small Business Investment Act of 1958 is repealed on October 1, 1999.

(e) The table of contents contained in section 101 of the Small Business Investment Act of 1958 is amended by adding at the end of the matter relating to title V the following:

"Sec. 507. Accredited lenders program.

"Sec. 508. Premier lenders program."

**SEC. 211. SSBIC ADVISORY COUNCIL.**

(a) COUNCIL ESTABLISHED.—Not later than 90 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall appoint an Investment Advisory Council for the Specialized Small Business Investment Company Program. The Council shall consist of not less than 12 individuals from the private sector, including individuals—

(1) who have experience in providing venture capital to small business, particularly minority small business;

(2) who are current participants in the Specialized Small Business Investment Company Program;

(3) who are former participants in the Specialized Small Business Investment Company Program; or

(4) who are or who represent small business concerns.

(b) CHAIRMAN AND STAFF.—The Administrator shall designate one of the members of the Council as chairperson. The Investment Division of the Small Business Administration shall provide such staff, technical support, and information as shall be deemed appropriate. Council members shall be deemed to be an advisory board pursuant to section 8(b)(13) of the Small Business Act for purposes of reimbursement of expenses.

(c) REPORT.—Within six months of the date of appointment, the Council shall make a written report with findings and recommendations on the venture capital needs, including debt and equity, of socially or economically disadvantaged small business concerns and any needed Federal incentives to assist the private sector to meet such needs. The report shall specifically address—

(1) the history of the Specialized Small Business Investment Company program in providing assistance to such concerns and the impact of such assistance on the economy;

(2) the appropriateness and ability of the Specialized Small Business Investment Company Program to meet these needs;

(3) the problems affecting the Specialized Small Business Investment Company Program; and

(4) the effectiveness of the Specialized Small Business Investment Company Program and its administration by the Small Business Administration.

**SEC. 212. PARTICIPATING SECURITIES FOR SMALLER SBICS.**

Section 303(g) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)) is amended by adding the following new paragraph at the end:

"(13) Of the amount of the annual program level of participating securities approved in Appropriations Acts, 50 percent shall be reserved for funding Small Business Investment Companies with private capital of less than \$20,000,000; except that during the last quarter of each fiscal year, the Administrator may, if he determines that there is a lack of qualified applicants with private capital under such amount, utilize all or any part of the securities so reserved."

**SEC. 213. REPORT ON SBIC PROGRAM.**

The Small Business Administration shall provide the Committee on Small Business of the House of Representatives and Senate with a comprehensive report on the status and disposition of all Small Business Investment Companies, active or in liquidation, and a complete accounting of the assets in and the basis of their portfolios, the projected and actual loss rates for all portfolios in liquidation or active, and a detailed accounting of valuation of the SBIC program's investments. This report shall be delivered to the respective Committees on Small Business no later than April 15, 1995.

**TITLE III—SIZE STANDARDS AND BOND GUARANTEES**

**SEC. 301. COMPETITIVE DEMONSTRATION PROJECT SIZE STANDARDS.**

Section 732 of the Business Opportunity Development Reform Act of 1988 (Public Law 100-656) is amended by repealing the second sentence of such section.

**SEC. 302. SIZE STANDARD CRITERIA.**

Section 3(a)(2) of the Small Business Act (15 U.S.C. 632(a)(2)) is amended to read as follows:

"(2) In addition to the criteria specified in paragraph (1), the Administrator may specify detailed definitions or standards by which a business concern may be determined to be a small business concern for the purposes of this Act or any other Act. Such standards may utilize number of employees, dollar volume of business, net worth, net income, or a combination thereof. Unless specifically authorized by statute, no Federal department or agency may prescribe a size standard for categorizing a business concern as a small business concern, unless such proposed size standard—

"(A) is being proposed after an opportunity for public notice and comment;

"(B) provides for determining—

"(i) the size of a manufacturing concern as measured by its average employment based upon employment during each of the concern's pay periods for the preceding twelve calendar months;

"(ii) the size of a concern providing services on the basis of the annual average gross receipts of the concern over a period of not less than 3 years; and

"(iii) the size of other concerns on the basis of data over a period of not less than 3 years; and

"(C) is approved by the Administrator if it is not being proposed by the Small Business Administration."

**SEC. 303. SUNSET ON PREFERRED SURETY BOND GUARANTEE PROGRAM.**

Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (Public Law 100-590) is amended by striking "September 30, 1994" and by inserting in lieu thereof "September 30, 1997".

**SEC. 304. VERY SMALL BUSINESS CONCERNS.**

The Small Business Act (15 U.S.C. 631 et seq.) is amended by redesignating section 30 as section 41 and by inserting after section

29, as redesignated by section 606 of this Act, the following:

**"SEC. 30. PILOT PROGRAM FOR VERY SMALL BUSINESS CONCERNS.**

"(a) ESTABLISHMENT.—The Administration shall establish and carry out a pilot program in accordance with the requirements of this section to provide procurement opportunities to very small business concerns.

**"(b) SUBCONTRACTING OF PROCUREMENT CONTRACTS.—**

"(1) IN GENERAL.—In carrying out the program, the Administration is authorized to enter into procurement contracts with the United States Government and to arrange for the performance of such contracts through the award of subcontracts to very small business concerns.

"(2) TERMS AND CONDITIONS.—The authority of the Administration under paragraph (1) shall be subject to the same terms and conditions as apply to the authority of the Administration under section 8(a), except that—

"(A) the Administration may make such modifications to such terms and conditions as the Administration determines necessary; and

"(B) all contract opportunities offered for award under the program shall be awarded on the basis of competition restricted to eligible program participants.

"(c) PROGRAM PARTICIPATION.—Very small business concerns participating in the program shall be subject to the same terms and conditions for program participation as apply to program participants under sections 7(j) and 8(a); except that—

"(1) the Administration may make such modifications to such terms and conditions as the Administration determines necessary; and

"(2) eligibility shall be determined on the basis of qualifying as a very small business concern as defined in subsection (g), in lieu of the requirements contained in paragraphs (4), (5), and (6) of section 8(a).

"(d) TECHNICAL AND FINANCIAL ASSISTANCE.—In order to assist very small business concerns participating in the program, the Administration is authorized—

"(1) to provide technical assistance to such concerns in the same manner and to the same extent as technical assistance is provided to small business concerns pursuant to section 7(j); and

"(2) to provide pre-authorization to such concerns for the purpose of receiving financial assistance under section 7(a).

"(e) PROGRAM TERM.—The Administration shall carry out the program in each of fiscal years 1995, 1996, and 1997.

"(f) REPORT TO CONGRESS.—On or before December 31, 1996, the Administration shall transmit to Congress a report containing an analysis of the results of the program, together with recommendations for appropriate legislative and administrative actions.

"(g) DEFINITIONS.—For the purposes of this section, the following definitions apply:

"(1) PROGRAM.—The term 'program' means the program established pursuant to subsection (a).

"(2) VERY SMALL BUSINESS CONCERN.—The term 'very small business concern' means a small business concern that—

"(A) has 10 employees or less; or

"(B) has average annual receipts that total \$1,000,000 or less."

**TITLE IV—MANAGEMENT ASSISTANCE**

**SEC. 401. SUNSET ON COSPONSORED TRAINING.**

(a) The authority of the Small Business Administration to cosponsor training as authorized by section 5(a) of the Small Business Computer Security and Education Act of 1984 (15 U.S.C. 633 note) is hereby repealed September 30, 1997.

(b) Section 7(b) of the Small Business Computer Security and Education Act of 1984 (15

U.S.C. 633 note) is amended by striking the second sentence.

**SEC. 402. SMALL BUSINESS DEVELOPMENT CENTER PROGRAM LEVEL.**

Section 21(a)(4) of the Small Business Act (15 U.S.C. 648(a)(4)) is amended to read as follows:

"(4) The Administration shall require as a condition of any grant (or amendment or modification thereof) made to an applicant under this section, that a matching amount (excluding any fees collected from recipients of such assistance) equal to the amount of such grant be provided from sources other than the Federal Government, to be comprised of not less than 50 per centum cash and not more than 50 per centum of indirect costs and in-kind contributions: *Provided*, That this matching amount shall not include any indirect costs or in-kind contributions derived from any Federal program: *Provided further*, That no recipient of funds under this section shall receive a grant which would exceed its pro rata share of a national program based upon the population to be served by the Small Business Development Center as compared to the total population in the United States, plus \$125,000, or \$200,000, whichever is greater, per year. The amount of the national program shall be—

"(A) \$70,000,000 through September 30, 1995;

"(B) \$77,500,000 from October 1, 1995 through September 30, 1996; and

"(C) \$85,000,000 beginning October 1, 1996.

The amount of eligibility of each Small Business Development Center shall be based upon the amount of the national program in effect as of the date for commencement of performance of the Center's grant."

**SEC. 403. FEDERAL CONTRACTS WITH SMALL BUSINESS DEVELOPMENT CENTERS.**

(a) Section 21(a)(5) of the Small Business Act (15 U.S.C. 648(a)(5)) is amended to read as follows:

"(5) A Small Business Development Center may enter a contract with a Federal department or agency to provide specific assistance to small business concerns if the contract is approved in advance by the Deputy Associate Administrator of the Small Business Development Center program. Approval shall be based upon a determination that the contract will provide assistance to small business concerns and that its performance will not hinder the Center in carrying out the terms of its grant from the Administration. The amount of any such contract shall not be subject to the matching funds requirements of paragraph (4) nor shall the amount of eligibility under such paragraph: *Provided*, That notwithstanding any other provision of law, such contracts for assistance to small business concerns shall not be counted toward any Federal department or agency's small business, women-owned business, or socially and economically disadvantaged business contracting goal as established by section 15(g) of the Small Business Act (15 U.S.C. 644(g))."

(b) Section 21(a)(6) of the Small Business Act (15 U.S.C. 648(a)(6)) is amended by striking "paragraphs (4) and (5)" and by inserting in lieu thereof "paragraph (4)".

**SEC. 404. CENTRAL EUROPEAN SMALL BUSINESS DEVELOPMENT.**

Section 25(i) of the Small Business Act (15 U.S.C. 652(i)) is amended by striking "and \$2,000,000 for each of fiscal years 1993 and 1994" and by inserting in lieu thereof ", \$2,000,000 for each of fiscal years 1993 and 1994, and \$1,000,000 for fiscal year 1995".

**SEC. 405. MOBILE RESOURCE CENTER PILOT PROGRAM.**

(a) ESTABLISHMENT.—The Administrator of the Small Business Administration may establish and carry out in each of fiscal years 1995, 1996, and 1997 a mobile resource pilot program (in this section referred to as the

"program" in accordance with the requirements of this section.

(b) MOBILE RESOURCE CENTER VEHICLES.—Under the program, the Administration may use mobile resource center vehicles to provide technical assistance, information, and other services available from the Small Business Administration to traditionally underserved populations. Two of such vehicles should be utilized in rural areas and 2 of such vehicles should be utilized in urban areas.

(c) REPORT TO CONGRESS.—If the Administrator conducts the program authorized in this section, not later than December 31, 1996, he shall transmit to Congress a report containing the results of such program, together with recommendations for appropriate legislative and administrative actions.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 1995 \$900,000 to carry out this section. Of such sums—

(1) \$800,000 may be made available for the purchase or lease of mobile resource center vehicles; and

(2) \$100,000 may be made available for studies, startup expenses, and other administrative expenses. Such sums shall remain available until expended.

**TITLE V—RELIEF FROM FFB DEBENTURE PREPAYMENT PENALTIES**

**SEC. 501. CITATION.**

This title may be cited as the "Small Business Prepayment Penalty Relief Act of 1994."

**SEC. 502. MODIFICATION OF DEVELOPMENT COMPANY DEBENTURE INTEREST RATES.**

(a) IN GENERAL.—Upon the request of the issuer and the concurrence of the borrower, the Small Business Administration is authorized to transfer to the Federal Financing Bank such sums as may be necessary to carry out the provisions of this section in order to reduce the interest rate on a debenture issued by a certified development company. The reduction shall be effective January 2, 1995 and shall apply for the remainder of the term of the debenture.

(b) INTEREST RATE MODIFICATION.—Upon receipt of such payment, the Federal Financing Bank shall modify the interest rate of each debenture for which the payment is made. No other change shall be made in the terms and conditions of the debenture, and the modification in the interest rate shall not be construed as a new direct loan or a new loan guarantee.

(c) DEFINITIONS.—For the purposes of this section—

(1) the term "issuer" means the issuer of a debenture pursuant to section 503 of the Small Business Investment Act of 1958 which has been purchased by the Federal Financing Bank if the debenture is outstanding on the date of enactment of this Act, and neither the loan that secures the debenture nor the debenture is in default on such date; and

(2) the term "borrower" means the small business concern whose loan secures a debenture issued pursuant to such section.

(d) OTHER RIGHTS.—A modification of the interest rate on a debenture as authorized in this section shall not affect any rights or options of the issuer or borrower which are otherwise authorized by contract or by law.

(e) REFINANCING.—Debentures authorized by sections 504 and 505 of the Small Business Investment Act of 1958 may be used to refinance debentures issued under section 503 of such Act if the amount of the new financing is limited to such amounts as are needed to repay the existing debenture, including any prepayment penalty imposed by the Federal Financing Bank. Any such refinancing shall be subject to all of the other provisions of sections 504 and 505 of such Act and the rules

and regulations of the Administration promulgated thereunder, including, but not limited to, rules and regulations governing payment of authorized expenses and commissions, fees and discounts to brokers and dealers in trust certificates issued pursuant to section 505: *Provided, however*, That no applicant for refinancing under section 504 of this Act need demonstrate that the requisite number of jobs will be created or preserved with the proceeds of such refinancing: *Provided further*, That a development company which provides refinancing under this subsection shall be limited to a loan processing fee not to exceed one-half of one percent to cover the cost of packaging, processing and other nonlegal staff functions.

**SEC. 503. MODIFICATION OF SMALL BUSINESS INVESTMENT COMPANY DEBENTURE INTEREST RATES.**

(a) IN GENERAL.—Upon the request of the issuer, the Small Business Administration is authorized to transfer to the Federal Financing Bank such sums as may be necessary to carry out the provisions of this section in order to reduce the interest rate on a debenture issued by a Small Business Investment Company under the provisions of title III of the Small Business Investment Act of 1958. The reduction shall be effective January 2, 1995 and shall apply for the remainder of the term of the debenture.

(b) INTEREST RATE MODIFICATION.—Upon receipt of such payment, the Federal Financing Bank shall modify the interest rate of each debenture for which the payment is made. No other change shall be made in the terms and conditions of the debenture, and the modification in the interest rate shall not be construed as a new direct loan or a new loan guarantee.

(c) DEFINITIONS.—For the purposes of this section, the term "issuer" means the issuer of a debenture pursuant to section 303 of the Small Business Investment Act of 1958 which has been purchased by the Federal Financing Bank if the debenture is outstanding on the date of enactment of this Act, and is not in default on such date.

(d) OTHER RIGHTS.—A modification of the interest rate on a debenture as authorized in this section shall not affect any rights or options of the issuer which are otherwise authorized by contract or by law.

**SEC. 504. MODIFICATION OF SPECIALIZED SMALL BUSINESS INVESTMENT COMPANY DEBENTURE INTEREST RATES.**

(a) INTEREST RATE MODIFICATION.—Upon the request of the issuer, the Small Business Administration is authorized to modify the interest rate on a debenture issued by a Small Business Investment Company licensed under the provisions of section 301(d) of the Small Business Investment Act of 1958 and which is held by the Administration. No debenture which has been sold to a third party shall be eligible for modification under this section. The reduction shall be effective January 2, 1995 and shall apply for the remainder of the term of the debenture. No other change shall be made in the terms and conditions of the debenture, and the modification in the interest rate shall not be construed as a new direct loan or a new loan guarantee.

(b) DEFINITIONS.—For the purposes of this section, the term "issuer" means a Specialized Small Business Investment Company licensed under the provisions of section 301(d) of the Small Business Investment Act of 1958 which has issued a debenture which has been funded by the Small Business Administration, providing the debenture is outstanding on the date of enactment of this Act and is not in default on such date.

(c) OTHER RIGHTS.—A modification of the interest rate on a debenture as authorized in this section shall not affect any rights or options of the issuer which are otherwise authorized by contract or by law.

**SEC. 505. INTEREST RATE REDUCTIONS.**

(a) IN GENERAL.—Upon enactment of an Appropriations Act providing funds to carry out the provisions of this Act and limited to amounts specifically provided in advance in Appropriations Acts, the Small Business Administration shall evaluate the outstanding portfolio of debentures which are eligible for interest rate relief under this Act. The Administration shall apply the funds appropriated to carry out this Act in order to reduce the highest interest rate on all eligible debentures to a uniform rate.

(b) AUTHORIZATION.—There are authorized to be appropriated \$30 million to carry out the provisions of this Act in fiscal year 1995.

**TITLE VI—DEVELOPMENT OF WOMEN-OWNED BUSINESSES****SEC. 601. STATUS OF COUNCIL.**

Section 401 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is redesignated as section 405 of such Act and, as redesignated, is amended—

(1) in the heading by inserting "of the council" after "establishment"; and

(2) by striking the period at the end and inserting the following: "which shall serve as an independent advisory council to the Interagency Committee on Women's Business Enterprise, to the Administrator of the Small Business Administration, and to the Congress of the United States. The Council, in order to carry out its function as an independent advisory council to the Congress, is authorized and directed to report independently of the Interagency Committee directly to the Congress at such times and on such matters as it, in its discretion, deems appropriate."

**SEC. 602. DUTIES OF NATIONAL WOMEN'S BUSINESS COUNCIL.**

Section 402 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is redesignated as section 406 of such Act and, as redesignated, is amended to read as follows:

**"SEC. 406. DUTIES OF THE COUNCIL.**

"The Council shall meet at such times as it determines necessary in order to advise and consult with the Interagency Committee on Women's Business Enterprise on matters relating to the activities, functions, and policies of such Committee as provided in this title. The Council shall make annual recommendations for consideration by the Committee. The Council also shall provide reports and make such other recommendations as it deems appropriate to the Committee, to the Administrator of the Small Business Administration, and to the Small Business Committee of the United States Senate and to the Small Business Committee of the United States House of Representatives."

**SEC. 603. MEMBERSHIP OF THE COUNCIL.**

Section 403 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is redesignated as section 407 of such Act, and, as redesignated, is amended to read as follows:

**"SEC. 407. MEMBERSHIP OF THE COUNCIL.**

"(a) The Council shall be composed of 15 members who shall be appointed by the Administrator of the Small Business Administration and who shall serve at the Administrator's discretion. In making the appointments, the Administrator shall include racial, geographic and economic diversity, and representation from diverse sectors of the economy, including manufacturing, high technology, services and credit institutions, and shall give priority to include representation of major women's business organizations.

"(b) Only the owner, operator or employee of a woman-owned business shall be eligible for appointment, and not more than eight appointees shall be members of the same political party. If any member of the Council subsequently becomes an officer or employee

of the Federal Government or of the Congress, such individual may continue as a member of the Council for not longer than the thirty-day period beginning on the date such individual becomes such an officer or employee.

"(c) The Council annually shall select one member to serve as its Chairperson. The Chairperson of the Council, or her designee, shall be the representative of the Council to all meetings of the Interagency Committee on Women's Business Enterprise.

"(d) The Council shall meet not less than four times per year. Meetings shall be at the call of the Chairperson at such times as she deems appropriate.

"(e) Members of the Council shall serve without pay for such membership, except they shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Council, in the same manner as persons serving on advisory boards pursuant to section 8(b) of the Small Business Act."

**SEC. 604. INTERAGENCY COMMITTEE.**

Title IV of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended by striking section 404 and by inserting the following new sections prior to section 405 as redesignated by section 601 of this Act:

**"SEC. 401. ESTABLISHMENT OF THE COMMITTEE.**

"There is established an Interagency Committee to be known as the 'Interagency Committee on Women's Business Enterprise' (hereinafter in this title referred to as the Committee).

**"SEC. 402. DUTIES OF THE COMMITTEE.**

"The Committee shall—

"(1) promote, coordinate and monitor the plans, programs and operations of the departments and agencies of the Federal Government which may contribute to the establishment, preservation and strengthening of women's business enterprise. It may, as appropriate, develop comprehensive interagency plans and specific program goals for women's business enterprise with the cooperation of Federal departments and agencies;

"(2) promote the better utilization of the activities and resources of State and local governments, business and trade associations, private industry, colleges and universities, foundations, professional organizations, and volunteer and women's business enterprise, and facilitate the coordination of the efforts of these groups with those of Federal departments and agencies;

"(3) consult with the Council to develop and promote new initiatives designed to foster women's business enterprise, and to develop policies, programs, and plans intended to promote such development;

"(4) consider the Council's recommendations and public and private sector studies of the problems of women entrepreneurs, and promote further research into such problems; and

"(5) design a comprehensive plan for a joint public-private sector effort to facilitate the development and growth of women-owned businesses. The Committee should submit the plan to the President for review within six months of the effective date of this Act.

**"SEC. 403. MEMBERSHIP OF THE COMMITTEE.**

"(a) The Committee shall be composed of representatives of the following departments and agencies: The Departments of Agriculture, Commerce, Defense, Energy, Health and Human Services, Education, Housing and Urban Development, Interior, Justice, Labor, Transportation, Treasury, the Federal Trade Commission, General Services Administration, National Science Foundation, Office of Federal Procurement Policy, and the Director of the Office of Women's Busi-

ness Ownership of the Small Business Administration, who shall serve as Vice Chairperson of the Committee. The head of each such department and agency shall designate a representative who shall be a policy making official within the department or agency.

"(b) The Committee shall have a Chairperson appointed by the President, after consultation with the Administrator of the Small Business Administration and the Chief Counsel for Advocacy of the Small Business Administration. The Chairperson shall be the head of a Federal department or agency. If the Chairperson is the head of one of the departments or agencies enumerated in subsection (a), he or she shall also serve as the representative of such department or agency.

"(c) The Committee shall meet not less than four times per year. Meetings shall be at the call of the Chairperson at such times as he or she deems appropriate.

"(d) The members of the Committee shall serve without additional pay for such membership.

"(e) The Chairperson of the Committee may designate a Director of the Committee, after consultation with the Administrator of the Small Business Administration and the Chief Counsel for Advocacy of the Small Business Administration.

"(f) The Chief Counsel for Advocacy is authorized to appoint to his staff under the provisions of section 204 of Public Law 94-305 (15 U.S.C. 634(d)) the person so designated under subsection (e). He or she is also authorized to provide additional staff and administrative support for the Committee.

"(g) The Director of the Office of Women's Business Ownership of the Small Business Administration is authorized to provide additional staff and administrative support for the Committee.

**"SEC. 404. REPORTS FROM THE COMMITTEE.**

"The Committee shall transmit to the President and to the Small Business Committee of the United States Senate and to the Small Business Committee of the United States House of Representatives a report no less than once in every twelve-month period. The first such report shall be submitted no later than March 31, 1995. Such reports shall contain any recommendations from the Council and any comments of the Committee thereon, a detailed statement on the activities of the Committee, the findings and conclusions of the Committee, together with its recommendations for such legislation and administrative actions as it considers appropriate to promote the development of small business concerns owned and controlled by women."

**SEC. 605. REPEALER.**

Sections 404 through 407 of the Women's Business Ownership Act of 1988, as in effect on the day before the date of the enactment of this Act, are repealed and the following new section is added at the end of title IV of such Act:

**"SEC. 408. DEFINITIONS.**

"For the purposes of this Act, the term—

"(1) 'woman-owned business' shall mean a small business which is at least 51 percent owned by a woman or women who also control and operate it;

"(2) 'control' shall mean exercising the power to make policy decisions;

"(3) 'operate' shall mean being actively involved in the day-to-day management; and

"(4) 'women's business enterprise' shall mean a woman-owned business or businesses or the efforts of a woman or women to establish, maintain, or develop such a business or businesses."

**SEC. 606. EXTENSION OF AUTHORITY FOR DEMONSTRATION PROJECTS.**

Section 28 of the Small Business Act, as added by section 2 of Public Law 102-191, is redesignated as section 29 and, as so redesignated,

nated, is amended by striking from subsection (g) "1995" and by inserting "1997".

**SEC. 607. ESTABLISHMENT OF OFFICE OF WOMEN'S BUSINESS OWNERSHIP.**

Section 29 of the Small Business Act, as redesignated by section 606 of this Act, is amended by adding the following new subsection at the end:

"(h) There is established within the Administration an Office of Women's Business Ownership, which shall be responsible for the administration of the Administration's programs for the development of women's business enterprises as defined in section 408 of the Women's Business Ownership Act of 1988. The Office shall be headed by a director who shall be appointed by the Administrator."

**SEC. 608. TECHNICAL AND CONFORMING AMENDMENTS.**

(a) Title IV of the table of contents of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

**"TITLE IV—DEVELOPMENT OF WOMEN'S BUSINESS ENTERPRISE**

"Sec. 401. Establishment of the Committee.  
 "Sec. 402. Duties of the Committee.  
 "Sec. 403. Membership of the Committee.  
 "Sec. 404. Reports from the Committee.  
 "Sec. 405. Establishment of the Council.  
 "Sec. 406. Duties of the Council.  
 "Sec. 407. Membership of the Council.  
 "Sec. 408. Definitions."

(b) The heading to title IV of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

**"TITLE IV—DEVELOPMENT OF WOMEN'S BUSINESS ENTERPRISES".**

**SEC. 609. AUTHORIZATION.**

There is authorized to be appropriated \$200,000 in each of fiscal years 1995 through 1997 to carry out the provisions of title IV of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note).

**TITLE VII—MISCELLANEOUS AMENDMENTS**

**SEC. 701. HANDICAPPED PARTICIPATION IN SMALL BUSINESS SET ASIDE CONTRACTS.**

Section 15(c) of the Small Business Act (15 U.S.C. 644(c)) is amended—

(1) by amending paragraph (2)(A) to read as follows:

"(2)(A) During each fiscal year, public or private organizations for the handicapped shall be eligible to participate in programs authorized under this section in an aggregate amount not to exceed \$50,000,000."; and

(2) by adding the following new paragraph at the end thereof:

"(7) Any contract awarded to such an organization pursuant to the provisions of this subsection may be extended for up to two additional years."

**SEC. 702. SBA INTEREST PAYMENTS TO TREASURY.**

Section 4(c)(5)(B)(ii) of the Small Business Act (15 U.S.C. 633(c)(5)(B)(ii)) is amended to read as follows:

"(ii) The Administration shall pay into the miscellaneous receipts of the Treasury following the close of each fiscal year the actual interest it collects during that fiscal year on all financings made under the authority of this Act."

**SEC. 703. IMPOSITION OF FEES.**

Section 5(b) of the Small Business Act (15 U.S.C. 634(b)) is amended—

(1) in paragraph (10) by striking "and" at the end;

(2) in paragraph (11) by striking the period at the end and inserting a semicolon; and

(3) by adding the following new paragraphs at the end:

"(12) impose, retain and use only those fees which are specifically authorized by law or

which are in effect on September 30, 1994, and in the amounts and at the rates in effect on such date. The administrator is authorized to impose, retain and utilize, subject to approval in appropriations Acts, the following additional fees—

"(A) not to exceed \$100 for each loan servicing action requested after disbursement of the loan, including substitution of collateral, loan assumptions, release or substitution of guarantors, reamortizations or similar actions;

"(B) to recover the direct, incremental cost involved in the production and dissemination of compilations of information produced by the Administration under the authority of the Small Business Act and the Small Business Investment Act of 1958; and

"(13) to collect, retain and utilize, subject to approval in appropriations Acts, any amounts collected by fiscal transfer agents and not used by such agent as payment of the cost of loan pooling or debenture servicing operations: *Provided*, That any monies so collected shall be utilized solely to facilitate the administration of the program which generated the excess monies."

**SEC. 704. SBIR VENDORS.**

Section 9(q)(2) of the Small Business Act (15 U.S.C. 638(q)(2)) is amended to read as follows:

"(2) **VENDOR SELECTION.**—Each agency may select a vendor to assist small business concerns to meet the goals listed in paragraph (1). Such selection shall be competitive using merit-based criteria, for a term not to exceed 3 years."

**SEC. 705. MANUFACTURING CONTRACTS.**

(a) **ESTABLISHMENT OF PILOT PROGRAM.**—Section 15 of the Small Business Act (15 U.S.C. 644) is amended by adding at the end the following:

"(p) **MANUFACTURING MODERNIZATION PILOT PROGRAM.**—

"(1) **ESTABLISHMENT.**—The Administrator may establish and carry out a manufacturing modernization pilot program (hereinafter in this section referred to as the "program") for the purpose of promoting the award of Federal procurement contracts to small business concerns that participate in manufacturing application and education centers that are established or certified pursuant to paragraph (2).

"(2) **MANUFACTURING APPLICATION AND EDUCATION CENTERS.**—The Administrator may establish manufacturing application and education centers which will provide training to small business concerns on new and innovative manufacturing practices in a shared-use production environment and which will assist such concerns in carrying out Federal procurement contracts for the manufacture of components and subsystems. The Administrator may also certify existing manufacturing application and education centers for participation in the program.

"(3) **USE OF PRIVATE CENTERS AS EXAMPLES.**—In establishing any manufacturing application and education centers pursuant to paragraph (2), the Administrator may use as examples manufacturing application and education centers in the private sector that provide the following services: technology demonstration, technology education, technology application support, technology advancement support, and technology awareness.

"(4) **IDENTIFICATION OF CONTRACTS.**—The Administrator and the head of a contracting agency may identify for additional small business set-asides pursuant to subsection (a) any procurement, and in particular any procurement which is being foreign-sourced or is considered critical, which is susceptible to performance by a small business concern if the concern is assisted by a manufacturing application and education center under the

program. Any such procurement shall be subject to the requirements of subsection (a), including requirements relating to any failure of the Administrator and the head of the contracting agency to agree on procurement methods.

"(5) **NONAPPLICABILITY OF PERFORMANCE REQUIREMENT.**—The requirement of subsection (o)(1)(B) shall not apply with respect to any contract carried out by a small business concern under the program with the assistance of a manufacturing application and education center.

"(6) **REGULATIONS.**—Not later than 6 months after the date of the enactment of this subsection, the Administrator shall issue regulations to carry out this subsection if he determines it appropriate to carry out the program authorized by this subsection.

"(7) **REPORTS.**—

"(A) **PROGRESS REPORT.**—Not later than 3 months after the last day of the fiscal year in which final regulations are issued pursuant to paragraph (6), the Administrator shall transmit to the Committees on Small Business of the House of Representatives and the Senate a report on the progress of the program.

"(B) **FINAL REPORT.**—If the Administrator establishes the program authorized herein, not later than March 31, 1999, he shall transmit to the Committees on Small Business of the House of Representatives and the Senate a report on the success of the program in—

"(i) enabling deployment of technology to small business concerns participating in the program, and

"(ii) assisting manufacturing application and education centers in achieving self-sufficiency,

together with recommendations concerning continuation, modification, or discontinuance of the program.

"(8) **PROGRAM TERM.**—The Administrator may carry out the program during the period beginning on the date of issuance of final regulations under paragraph (5) and ending on September 30, 1999.

"(9) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as may be necessary to carry out this subsection."

**SEC. 706. DENIAL OF USE OF FUNDS FOR INDIVIDUALS NOT LAWFULLY WITHIN THE UNITED STATES.**

The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 30, as added by section 304 of this Act, the following:

**"SEC. 31. DENIAL OF USE OF FUNDS FOR INDIVIDUALS NOT LAWFULLY WITHIN THE UNITED STATES.**

"None of the funds made available pursuant to this Act may be used to provide any direct benefit or assistance to any individual in the United States when it is made known to the Administrator of the Small Business Administration or the official to which the funds are made available that the individual is not lawfully within the United States."

**SEC. 707. OFFICE OF ADVOCACY EMPLOYEES.**

Section 204 of Public Law 94-305 (15 U.S.C. 634d) is amended as follows—

(1) by striking "after consultation with and subject to the approval of the Administrator,"; and

(2) in paragraph (1) by striking "GS-15 of the General Schedule" and all that follows and inserting "GS-15 of the General Schedule: *Provided*, however, That not more than 14 staff personnel at any one time may be employed and compensated at a rate in excess of GS-15, step 10, of the General Schedule;"

**SEC. 708. ADVOCACY STUDY OF PAPERWORK AND TAX IMPACT.**

The Chief Counsel for Advocacy of the Small Business Administration shall conduct

a study of the impact of all Federal regulatory paperwork and tax requirements upon small business and report its findings to the Congress within 1 year of the date of the enactment of this Act.

SEC. 709. CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 31, as added by section 706 of this Act, the following:

SEC. 32. CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS.

"Each applicant for financial assistance under this Act, including applicants for direct loans and loan guarantees, shall certify, as a condition for receiving such assistance, that the applicant is not in violation of the terms of any administrative order, court order, or repayment agreement entered into between the applicant and the custodial parent or the State agency providing child support enforcement services which requires the applicant to pay child support, as such term is defined by section 462(b) of the Social Security Act."

The bill, as amended, was ordered to be engrossed and read a third time, was read a third time by title.

Mr. KIM moved to recommit the bill to the Committee on Small Business with instructions to report the bill back to the House forthwith with the following amendment:

Page 37, after line 3, insert the following:

(c) ADDITIONAL AMOUNTS.—Notwithstanding any other provision of law, the Administration is authorized to transfer, subject to subsequent appropriations, appropriations made available to carry out this title the unobligated balance of the following amounts appropriated by title IV of the Department of State of Related Agencies Appropriations Act, 1995:

(1) \$15,000,000 made available to the Administration under the heading "Salaries and Expenses" to implement section 24 of the Small Business Act.

(2) \$23,750,000 made available to the Administration under the heading "Business Loans Program Account" to carry out the projects specified in the second sentence of the first paragraph under such heading.

Amounts transferred under this subsection shall be in addition to amounts appropriated pursuant to subsection (b).

After debate,

By unanimous consent, the previous question was ordered on the motion to recommit with instructions.

The question being put, viva voce,

Will the House recommit said bill with instructions?

The SPEAKER pro tempore, Mr. KLECZKA, announced that the nays had it.

Mr. KIM objected to the vote on the ground that a quorum was not present and not voting.

A quorum not being present,

The roll was called under clause 4, rule XV, and the call was taken by electronic device.

When there appeared { Yeas ..... 176 Nays ..... 242

110.6 [Roll No. 427] YEAS—176

Table with 3 columns: Name, State, Name, State. Includes Allard, Andrews (ME), Andrews (NJ), Archer, Arney, Bachus (AL), Baker (CA), Baker (LA), Ballenger, Barca, Barcia, Barrett (NE), Barrett (WI), Bartlett, Barton, Bentley, Bereuter, Bilbray.

Table with 2 columns: Name, State. Includes Bilirakis, Biley, Blute, Boehlert, Boehner, Bonilla, Bunning, Burton, Buyer, Camp, Canady, Cantwell, Castle, Clinger, Coble, Collins (GA), Combust, Condit, Cooper, Cox, Crane, Crapo, Cunningham, DeLay, Diaz-Balart, Dickey, Doolittle, Dornan, Dreier, Duncan, Dunn, Ehlers, Emerson, Everett, Ewing, Fawell, Fields (TX), Fingerhut, Fish, Fowler, Franks (CT), Franks (NJ), Gallego, Gilchrest, Gillmor, Gilman, Gingrich, Goodlatte, Goodling, Goss, Grams, Grandy, Greenwood, Gunderson, Hancock, Hastert, Hefley, Oxley, Paxon, Penny, Peterson (MN), Petri, Pombro, Pomeroy, Porter, Portman, Pryce (OH), Ramstad, Ravenel, Roberts, Roemer, Rohrabacher, Ros-Lehtinen, Roukema, Royce, Santorum, Saxton, Schaefer, Schiff, Sensenbrenner, Shaw, Shays, Shuster, Smith (MI), Smith (NJ), Smith (OR), Smith (TX), Snowe, Solomon, Stearns, Stenholm, Stump, Sweet, Talent, Taylor (MS), Thomas (CA), Thomas (WY), Torkildsen, Upton, Walker, Walsh, Weldon, Wolf, Young (FL), Zeliff, Zimmer.

NAYS—242

Table with 2 columns: Name, State. Includes Ackerman, Andrews (TX), Applegate, Bacchus (FL), Baesler, Barlow, Bateman, Becerra, Beilenson, Berman, Bevill, Bishop, Blackwell, Bonior, Borski, Boucher, Brewster, Brooks, Browder, Brown (CA), Brown (FL), Brown (OH), Bryant, Byrne, Callahan, Cardin, Carr, Chapman, Clay, Clayton, Clement, Clyburn, Coleman, Collins (IL), Collins (MI), Conyers, Coppersmith, Costello, Coyne, Cramer, Danner, Darden, de la Garza, Deal, DeFazio, DeLauro, Dellums, Derrick, Deutsch, Dicks, Dingell, Dixon, Dooley, Durbin, Edwards (CA), Edwards (TX), Engel, English, Eshoo, Evans, Farr, Fazio, Fields (LA), Filner, Flake, Foglietta, Ford (MI), Ford (TN), Frank (MA), Furse, Gejdenson, Gekas, Gephardt, Geren, Gibbons, Glickman, Gonzalez, Gordon, Green, Gutierrez, Hall (OH), Hall (TX), Hamburg, Hamilton, Hansen, Harman, Hastings, Hayes, Hefner, Hilliard, Hinchey, Hoagland, Hochbrueckner, Holden, Hoyer, Hughes, Hutchinson, Insole, Jacobs, Jefferson, Johnson (GA), Johnson, E. B., Johnston, Kanjorski, Kaptur, Kennelly, Kildee, Kleczka, Klein, Klink, Kopetski, Kreidler, LaFalce, Lambert, Lancaster, Lantos, LaRocco, Laughlin, Lehman, Levin, Lewis (GA), Lipski, Livingston, Lloyd, Long, Lowey, Mann, Manton, Margolies-Mezvinsky, Markey, Martinez, Matsui, Mazzoli, McCloskey.

Table with 2 columns: Name, State. Includes McDade, McDermott, McHale, McKinney, McNulty, Meek, Menendez, Mfume, Miller (CA), Mineta, Mink, Moakley, Mollohan, Montgomery, Moran, Murphy, Murtha, Myers, Nadler, Neal (MA), Neal (NC), Oberstar, Obey, Olver, Ortiz, Owens, Packard, Pallone, Parker, Pastor, Payne (NJ), Payne (VA), Pelosi, Peterson (FL), Pickett, Pickle, Poshard, Price (NC), Quillen, Quinn, Rahall, Rangel, Reed, Regula, Reynolds, Richardson, Rogers, Rose, Rostenkowski, Rowland, Roybal-Allard, Rush, Sabo, Sanders, Sangmeister, Sarpalius, Sawyer, Schenk, Schroeder, Schumer, Scott, Serrano, Sharp, Shepherd, Sisisky, Skaggs, Skeen, Skelton, Slaughter, Smith (IA), Spence, Spratt, Stark, Stokes, Strickland, Studds, Stupak, Swift, Tanner, Tauzin, Taylor (NC), Tejada, Thompson, Thornton, Thurman, Torres, Torricelli, Towns, Traficant, Tucker, Unsoeld, Valentine, Velazquez, Visclosky, Volkmmer, Waters, Watt, Waxman, Wheat, Whitten, Williams, Wilson, Wise, Woolsey, Wyden, Wynn, Yates, Young (AK).

NOT VOTING—16

Table with 3 columns: Name, Name, Name. Includes Abercrombie, Calvert, Frost, Gallo, Kennedy, Maloney, McMillan, Meehan, Ridge, Roth, Slattery, Sundquist, Synar, Vento, Vucanovich, Washington.

So the motion to recommit with instructions was not agreed to.

The question being put, viva voce,

Will the House pass said bill?

The SPEAKER pro tempore, Mr. McDERMOTT, announced that the yeas had it.

Mr. LAFALCE demanded that the vote be taken by the yeas and nays, which demand was supported by one-fifth of the Members present, so the yeas and nays were ordered.

The vote was taken by electronic device.

It was decided in the { Yeas ..... 370 affirmative ..... Nays ..... 48

110.7 [Roll No. 428] YEAS—370

Table with 3 columns: Name, Name, Name. Includes Abercrombie, Ackerman, Andrews (ME), Andrews (TX), Applegate, Bacchus (FL), Baesler, Baker (CA), Baker (LA), Ballenger, Barca, Barcia, Barrett (NE), Barrett (WI), Bartlett, Bateman, Becerra, Beilenson, Bentley, Bereuter, Berman, Bevill, Bilbray, Bilirakis, Bishop, Blackwell, Blute, Boehlert, Boehner, Bonilla, Bonior, Borski, Boucher, Brewster, Brooks, Browder, Brown (CA), Brown (FL), Brown (OH), Bryant, Bunning, Buyer, Byrne, Callahan, Calvert, Camp, Canady, Cantwell, Cardin, Carr, Castle, Chapman, Clay, Clayton, Clement, Clinger, Clyburn, Coleman, Collins (GA), Collins (IL), Collins (MI), Combust, Condit, Conyers, Cooper, Coppersmith, Costello, Coyne, Cramer, Cunningham, Danner, Darden, de la Garza, Deal, DeFazio, Dellums, Derrick, Deutsch, Dickey, Dingell, Dixon, Dooley, Dunn, Durbin, Edwards (CA), Edwards (TX), Emerson, Engel, English, Eshoo, Evans, Everett.