

105TH CONGRESS
1ST SESSION

H. R. 2261

To reauthorize and amend the programs of the Small Business Act and the Small Business Investment Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 1997

Mr. TALENT (for himself and Mr. LAFALCE) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To reauthorize and amend the programs of the Small Business Act and the Small Business Investment Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Small Business Assistance Programs Reauthorization
6 Amendments Acts of 1997”.

7 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—AUTHORIZATIONS

Sec. 101. Authorizations.

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- Sec. 201. Securitization.
- Sec. 202. Background check of loan applicants.

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- Sec. 221. Reauthorization of fees.
- Sec. 222. PCLP participation
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- Sec. 224. Loss reserves.
- Sec. 225. Goals.
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- Sec. 227. Promulgation of regulations.
- Sec. 228. Technical amendment.
- Sec. 229. Repeal.
- Sec. 230. Loan servicing and liquidation.
- Sec. 231. Use of proceeds.
- Sec. 232. Lease of property.
- Sec. 233. Seller financing.
- Sec. 234. Preexisting conditions.

Subtitle C—Small Business Investment Company Program

- Sec. 241. 5-year commitments.
- Sec. 242. Program reform.
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- Sec. 251. Microloan program extension.

TITLE III—WOMEN'S BUSINESS ENTERPRISES

- Sec. 301. Reports.
- Sec. 302. Council duties.
- Sec. 303. Council membership.
- Sec. 304. Authorization of appropriations.
- Sec. 305. Women's business centers.
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TITLE IV—COMPETITIVENESS PROGRAM

- Sec. 401. Program term.
- Sec. 402. Monitoring agency performance.
- Sec. 403. Reports to Congress.
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- Sec. 405. Technical amendment.

TITLE V—MISCELLANEOUS PROVISIONS

- Sec. 501. Small business development centers.
- Sec. 502. Small business export promotion.
- Sec. 503. Pilot preferred surety bond guarantee program extension.
- Sec. 504. Very small business concerns.

1 **TITLE I—AUTHORIZATIONS**

2 **SEC. 101. AUTHORIZATIONS.**

3 Section 20 of the Small Business Act (15 U.S.C. 631
4 note) is amended by striking subsections (l) through (q)
5 and inserting the following:

6 “(l) The following program levels are authorized for
7 fiscal year 1998:

8 “(1) For the programs authorized by this Act,
9 the Administration is authorized to make—

10 “(A) \$40,000,000 in technical assistance
11 grants, as provided in section 7(m); and

12 “(B) \$60,000,000 in loans, as provided in
13 section 7(m).

14 “(2) For the programs authorized by this Act,
15 the Administration is authorized to make
16 \$15,040,000,000 in deferred participation loans and
17 other financings. Of such sum, the Administration is
18 authorized to make—

19 “(A) \$11,000,000,000 in general business
20 loans as provided in section 7(a);

21 “(B) \$3,000,000,000 in financings as pro-
22 vided in section 7(a)(13) of this Act and section
23 504 of the Small Business Investment Act of
24 1958;

1 “(C) \$1,000,000,000 in loans as provided
2 in section 7(a)(21); and

3 “(D) \$40,000,000 in loans as provided in
4 section 7(m).

5 “(3) For the programs authorized by title III of
6 the Small Business Investment Act of 1958, the Ad-
7 ministration is authorized to make—

8 “(A) \$600,000,000 in purchases of partici-
9 pating securities; and

10 “(B) \$500,000,000 in guarantees of de-
11 bentures.

12 “(4) For the programs authorized by part B of
13 title IV of the Small Business Investment Act of
14 1958, the Administration is authorized to enter into
15 guarantees not to exceed \$2,000,000,000, of which
16 not more than \$650,000,000 may be in bonds ap-
17 proved pursuant to section 411(a)(3) of that Act.

18 “(5) The Administration is authorized to make
19 grants or enter into cooperative agreements—

20 “(A) for the Service Corps of Retired Ex-
21 ecutives program authorized by section 8(b)(1),
22 \$4,000,000; and

23 “(B) for activities of small business devel-
24 opment centers pursuant to section 21(c)(3)(G),

1 \$15,000,000, to remain available until ex-
2 pended.

3 “(m)(1) There are authorized to be appropriated to
4 the Administration for fiscal year 1998 such sums as may
5 be necessary to carry out this Act, including administra-
6 tive expenses and necessary loan capital for disaster loans
7 pursuant to section 7(b), and to carry out the Small Busi-
8 ness Investment Act of 1958, including salaries and ex-
9 penses of the Administration.

10 “(2) Notwithstanding paragraph (1), for fiscal year
11 1998—

12 “(A) no funds are authorized to be provided to
13 carry out the loan program authorized by section
14 7(a)(21) except by transfer from another Federal
15 department or agency to the Administration, unless
16 the program level authorized for general business
17 loans under subsection (l)(2)(A) is fully funded; and

18 “(B) the Administration may not approve loans
19 on behalf of the Administration or on behalf of any
20 other department or agency, by contract or other-
21 wise, under terms and conditions other than those
22 specifically authorized under this Act or the Small
23 Business Investment Act of 1958, except that it may
24 approve loans under section 7(a)(21) of this Act in
25 gross amounts of not more than \$1,250,000.

1 “(n) The following program levels are authorized for
2 fiscal year 1999:

3 “(1) For the programs authorized by this Act,
4 the Administration is authorized to make—

5 “(A) \$60,000,000 in technical assistance
6 grants as provided in section 7(m); and

7 “(B) \$60,000,000 in loans, as provided in
8 section 7(m).

9 “(2) For the programs authorized by this Act,
10 the Administration is authorized to make
11 \$16,540,000,000 in deferred participation loans and
12 other financings. Of such sum, the Administration is
13 authorized to make—

14 “(A) \$12,000,000,000 in general business
15 loans as provided in section 7(a);

16 “(B) \$3,500,000,000 in financings as pro-
17 vided in section 7(a)(13) of this Act and section
18 504 of the Small Business Investment Act of
19 1958;

20 “(C) \$1,000,000,000 in loans as provided
21 in section 7(a)(21); and

22 “(D) \$40,000,000 in loans as provided in
23 section 7(m).

1 “(3) For the programs authorized by title III of
2 the Small Business Investment Act of 1958, the Ad-
3 ministration is authorized to make—

4 “(A) \$700,000,000 in purchases of partici-
5 pating securities; and

6 “(B) \$650,000,000 in guarantees of de-
7 bentures.

8 “(4) For the programs authorized by part B of
9 title IV of the Small Business Investment Act of
10 1958, the Administration is authorized to enter into
11 guarantees not to exceed \$2,000,000,000, of which
12 not more than \$650,000,000 may be in bonds ap-
13 proved pursuant to section 411(a)(3) of that Act.

14 “(5) The Administration is authorized to make
15 grants or enter cooperative agreements—

16 “(A) for the Service Corps of Retired Ex-
17 ecutives program authorized by section 8(b)(1),
18 \$4,500,000; and

19 “(B) for activities of small business devel-
20 opment centers pursuant to section 21(c)(3)(G),
21 not to exceed \$15,000,000, to remain available
22 until expended.

23 “(o)(1) There are authorized to be appropriated to
24 the Administration for fiscal year 1999 such sums as may
25 be necessary to carry out this Act, including administra-

1 tive expenses and necessary loan capital for disaster loans
2 pursuant to section 7(b), and to carry out the Small Busi-
3 ness Investment Act of 1958, including salaries and ex-
4 penses of the Administration.

5 “(2) Notwithstanding paragraph (1), for fiscal year
6 1999—

7 “(A) no funds are authorized to be provided to
8 carry out the loan program authorized by section
9 7(a)(21) except by transfer from another Federal
10 department or agency to the Administration, unless
11 the program level authorized for general business
12 loans under subsection (n)(2)(A) is fully funded; and

13 “(B) the Administration may not approve loans
14 on behalf of the Administration or on behalf of any
15 other department or agency, by contract or other-
16 wise, under terms and conditions other than those
17 specifically authorized under this Act or the Small
18 Business Investment Act of 1958, except that it may
19 approve loans under section 7(a)(21) of this Act in
20 gross amounts of not more than \$1,250,000.

21 “(p) The following program levels are authorized for
22 fiscal year 2000:

23 “(1) For the programs authorized by this Act,
24 the Administration is authorized to make—

1 “(A) \$75,000,000 in technical assistance
2 grants as provided in section 7(m); and

3 “(B) \$60,000,000 in direct loans, as pro-
4 vided in section 7(m).

5 “(2) For the programs authorized by this Act,
6 the Administration is authorized to make
7 \$19,040,000,000 in deferred participation loans and
8 other financings. Of such sum, the Administration is
9 authorized to make—

10 “(A) \$13,500,000,000 in general business
11 loans as provided in section 7(a);

12 “(B) \$4,500,000,000 in financings as pro-
13 vided in section 7(a)(13) of this Act and section
14 504 of the Small Business Investment Act of
15 1958;

16 “(C) \$1,000,000,000 in loans as provided
17 in section 7(a)(21); and

18 “(D) \$40,000,000 in loans as provided in
19 section 7(m).

20 “(3) For the programs authorized by title III of
21 the Small Business Investment Act of 1958, the Ad-
22 ministration is authorized to make—

23 “(A) \$850,000,000 in purchases of partici-
24 pating securities; and

1 “(B) \$700,000,000 in guarantees of de-
2 bentures.

3 “(4) For the programs authorized by part B of
4 title IV of the Small Business Investment Act of
5 1958, the Administration is authorized to enter into
6 guarantees not to exceed \$2,000,000,000, of which
7 not more than \$650,000,000 may be in bonds ap-
8 proved pursuant to the provisions of section
9 411(a)(3) of that Act.

10 “(5) The Administration is authorized to make
11 grants or enter cooperative agreements—

12 “(A) for the Service Corps of Retired Ex-
13 ecutives program authorized by section 8(b)(1),
14 \$5,000,000; and

15 “(B) for activities of small business devel-
16 opment centers pursuant to section 21(c)(3)(G),
17 not to exceed \$15,000,000, to remain available
18 until expended.

19 “(q)(1) There are authorized to be appropriated to
20 the Administration for fiscal year 2000 such sums as may
21 be necessary to carry out this Act, including administra-
22 tive expenses and necessary loan capital for disaster loans
23 pursuant to section 7(b), and to carry out the provisions
24 of the Small Business Investment Act of 1958, including
25 salaries and expenses of the Administration.

1 “(2) Notwithstanding paragraph (1), for fiscal year
2 2000—

3 “(A) no funds are authorized to be provided to
4 carry out the loan program authorized by section
5 7(a)(21) except by transfer from another Federal
6 department or agency to the Administration, unless
7 the program level authorized for general business
8 loans under subsection (p)(2)(A) is fully funded; and

9 “(B) the Administration may not approve loans
10 on behalf of the Administration or on behalf of any
11 other department or agency, by contract or other-
12 wise, under terms and conditions other than those
13 specifically authorized under this Act or the Small
14 Business Investment Act of 1958, except that it may
15 approve loans under section 7(a)(21) of this Act in
16 gross amounts of not more than \$1,250,000.”.

17 **TITLE II—FINANCIAL**
18 **PROGRAMS**

19 **Subtitle A—General Business**
20 **Loans**

21 **SEC. 201. SECURITIZATION.**

22 The Administrator shall prescribe final regulations
23 permitting bank and nonbank lenders to sell or securitize
24 the nonguaranteed portion of loans made under section
25 7(a) of the Small Business Act (15 U.S.C. 636) that were

1 originated or purchased by the lender, provided there is
2 recourse to the lender for any defaulted loans. For loans
3 sold or securitized without recourse, the Administrator
4 shall prescribe regulations establishing minimum retention
5 requirements to ensure that lenders selling or securitizing
6 such loans retain sufficient risk to protect taxpayer inter-
7 est. These regulations shall be promulgated and take ef-
8 fect within 120 days of the date of enactment of this Act.

9 **SEC. 202. BACKGROUND CHECK OF LOAN APPLICANTS.**

10 Section 7(a)(1) of the Small Business Act (15 U.S.C.
11 636(a)(1)) is amended by striking “(1)” and inserting the
12 following:

13 “(1)(A) CREDIT ELSEWHERE.—, and by adding
14 the following new paragraph at the end:

15 “(B) BACKGROUND CHECKS.—Prior to the ap-
16 proval of any loan made pursuant to this subsection,
17 or section 503 of the Small Business Investment
18 Act, the Administrator shall verify the applicant’s
19 criminal background, or lack thereof, through the
20 use of the National Crime Information Center com-
21 puter system at the Federal Bureau of Investigation.
22 However, evidence of a criminal background shall
23 not be used as the sole reason for the denial of a
24 loan under this subsection.

1 **Subtitle B—Certified Development**
2 **Company Program**

3 **SEC. 221. REAUTHORIZATION OF FEES.**

4 Section 503 of the Small Business Investment Act
5 of 1958 (15 U.S.C. 697) is amended—

6 (1) by striking subsection (b)(7)(A) and insert-
7 ing the following:

8 “(A) assesses and collects a fee, which
9 shall be payable by the borrower, in an amount
10 equal to 0.9375 percent per year of the out-
11 standing balance of the loan; and”;

12 (2) by striking from subsection (d)(2) “equal to
13 50 basis points” and inserting “equal to not more
14 than 50 basis points,”;

15 (3) by adding the following at the end of sub-
16 section (d)(2): “The amount of the fee authorized
17 herein shall be established annually by the Adminis-
18 tration in the minimal amount necessary to reduce
19 the cost (as that term is defined in section 502 of
20 the Federal Credit Reform Act of 1990) to the Ad-
21 ministration of purchasing and guaranteeing debent-
22 tures under this Act to zero.”; and

23 (4) by striking from subsection (f) “1997” and
24 inserting “2000”.

1 **SEC. 222. PCLP PARTICIPATION.**

2 Section 508(a) of the Small Business Investment Act
3 of 1958 (15 U.S.C. 697e(a)) is amended by striking “not
4 more than 15”.

5 **SEC. 223. PCLP ELIGIBILITY.**

6 Section 508(b)(2) of the Small Business Investment
7 Act of 1958 (15 U.S.C. 697e(b)(2)) is amended by strik-
8 ing paragraphs (A) and (B) and inserting:

9 “(A) is an active certified development
10 company in good standing and has been an ac-
11 tive participant in the accredited lenders pro-
12 gram during the entire 12-month period preced-
13 ing the date on which the company submits an
14 application under paragraph (1), except that
15 the Administration may waive this requirement
16 if the company is qualified to participate in the
17 accredited lenders program;

18 “(B) has a history (i) of submitting to the
19 Administration adequately analyzed debenture
20 guarantee application packages and (ii) of prop-
21 erly closing section 504 loans and servicing its
22 loan portfolio; and”.

23 **SEC. 224. LOSS RESERVES.**

24 Section 508(c) of the Small Business Investment Act
25 of 1958 (15 U.S.C. 697e(c)) is amended to read as follows:

26 “(c) LOSS RESERVE.—

1 “(1) ESTABLISHMENT.—A company designated
2 as a premier certified lender shall establish a loss re-
3 serve for financing approved pursuant to this sec-
4 tion.

5 “(2) AMOUNT.—The amount of the loss reserve
6 shall be equal to 10 percent of the amount of the
7 company’s exposure as determined under subsection
8 (b)(2)(C).

9 “(3) ASSETS.—The loss reserve shall be com-
10 prised of any combination of the following types of
11 assets:

12 “(A) segregated funds on deposit in an ac-
13 count or accounts with a federally insured de-
14 pository institution or institutions selected by
15 the company, subject to a collateral assignment
16 in favor of, and in a format acceptable to, the
17 Administration; or

18 “(B) irrevocable letter or letters of credit,
19 with a collateral assignment in favor of, and a
20 commercially reasonable format acceptable to,
21 the Administration.

22 “(4) CONTRIBUTIONS.—The company shall
23 make contributions to the loss reserve, either cash or
24 letters of credit as provided above, in the following
25 amounts and at the following intervals:

1 “(A) 50 percent when a debenture is
2 closed;

3 “(B) 25 percent additional not later than
4 1 year after a debenture is closed; and

5 “(C) 25 percent additional not later than
6 2 years after a debenture is closed.

7 “(5) REPLENISHMENT.—If a loss has been sus-
8 tained by the Administration, any portion of the loss
9 reserve, and other funds provided by the premier
10 company as necessary, may be used to reimburse the
11 Administration for the company’s 10 percent share
12 of the loss as provided in subsection (b)(2)(C). If the
13 company utilizes the reserve, within 30 days it shall
14 replace an equivalent amount of funds.

15 “(6) DISBURSEMENTS.—The Administration
16 shall allow the certified development company to
17 withdraw from the loss reserve amounts attributable
18 to any debenture which has been repaid.”.

19 **SEC. 225. GOALS.**

20 Section 508 of the Small Business Investment Act
21 of 1958 (15 U.S.C. 697e) is amended by inserting the fol-
22 lowing after subsection (d) and by redesignating sub-
23 sections (e) to (i) as (f) to (j):

24 “(e) PROGRAM GOALS.—Certified development com-
25 panies participating in this program shall establish a goal

1 of processing a minimum of at least 50 percent of their
2 loan applications for section 504 assistance pursuant to
3 the premier certified lender program authorized in this
4 section.”.

5 **SEC. 226. TECHNICAL AMENDMENTS.**

6 Section 508(g) of the Small Business Investment Act
7 of 1958 (15 U.S.C. 697(g)) is amended—

8 (1) in subsection (g), as redesignated herein, is
9 amended by striking “State or local” and inserting
10 “certified”;

11 (2) in subsection (h), as redesignated herein—

12 (A) by striking “EFFECT OF SUSPEN-
13 SION OR DESIGNATION” and inserting
14 “EFFECT OF SUSPENSION OR REVOCA-
15 TION”; and

16 (B) by striking “under subsection (f)” and
17 inserting “under subsection (g)”.

18 **SEC. 227. PROMULGATION OF REGULATIONS.**

19 Section 508(i) of the Small Business Investment Act
20 of 1958 (15 U.S.C. 697e(i)), as redesignated herein, is
21 amended to read as follows:

22 “(i) REGULATIONS.—Not later than 90
23 days after the date of enactment of this section,
24 the Administration shall promulgate regulations
25 to carry out this section. Not later than 120

1 days after the date of enactment, the Adminis-
2 tration shall issue program guidelines and im-
3 plement the changes made herein.”.

4 **SEC. 228. TECHNICAL AMENDMENT.**

5 Section 508(j) of the Small Business Investment Act
6 of 1958 (15 U.S.C. 697e(j)), as redesignated herein, is
7 amended by striking “other lenders” and inserting “other
8 lenders, specifically comparing default rates and recovery
9 rates on liquidations”.

10 **SEC. 229. REPEAL.**

11 Section 217(b) of Public Law 103–403 (108 Stat.
12 4185) is repealed.

13 **SEC. 230. LOAN SERVICING AND LIQUIDATION.**

14 Section 508(d) of the Small Business Investment Act
15 of 1958 (15 U.S.C. 697e(d)) is amended by striking “to
16 approve loans” and inserting “to approve, authorize, close,
17 service, foreclose, litigate, and liquidate loans”.

18 **SEC. 231. USE OF PROCEEDS.**

19 Section 502(1) of the Small Business Investment Act
20 of 1958 (15 U.S.C. 696(1)) is amended to read as follows:

21 “(1) The proceeds of any such loan shall be
22 used solely by such borrower or borrowers to assist
23 an identifiable small-business or businesses and for
24 a sound business purpose approved by the Adminis-
25 tration.”.

1 **SEC. 232. LEASE OF PROPERTY.**

2 Section 502 of the Small Business Investment Act
3 of 1958 (15 U.S.C. 696) is amended by adding the follow-
4 ing new subsection:

5 “(5) Not to exceed 25 percent of any project
6 may be permanently leased by the assisted small
7 business: *Provided*, That the assisted small business
8 shall be required to occupy and use not less than 55
9 percent of the space in the project after the execu-
10 tion of any leases authorized in this section.”.

11 **SEC. 233. SELLER FINANCING AND COLLATERALIZATION.**

12 Section 502(3) of the Small Business Investment Act
13 of 1958 (15 U.S.C. 696(3)) is amended by inserting the
14 following new subparagraphs:

15 “(D) SELLER FINANCING.—Seller provided
16 financing may be used to meet the requirements
17 of—

18 “(i) paragraph (B), if the seller subor-
19 dinates his interest in the property to the
20 debenture guaranteed by the Administra-
21 tion; and

22 “(ii) not to exceed 50 percent of the
23 amounts required by paragraph (C).

24 “(E) COLLATERALIZATION.—The collateral
25 provided by the small business concern gen-
26 erally shall include a subordinate lien position

1 on the property being financed under this title,
2 and is only one of the factors to be evaluated
3 in the credit determination. Additional collat-
4 eral shall be required only if the Administration
5 determines, on a case by case basis, that addi-
6 tional security is necessary to protect the inter-
7 est of the Government.”.

8 **SEC. 234. PREEXISTING CONDITIONS.**

9 Section 502 of the Small Business Investment Act
10 of 1958 (15 U.S.C. 696) is amended by adding the follow-
11 ing new paragraph:

12 “(5) Any loan authorized under this section
13 shall not be denied or delayed for approval by the
14 Administration due to concerns over preexisting en-
15 vironmental conditions: *Provided*, That the develop-
16 ment company provides the Administration a letter
17 issued by the appropriate State or Federal environ-
18 mental protection agency specifically stating that the
19 environmental agency will not institute any legal
20 proceedings against the borrower or, in the event of
21 a default, the development company or the Adminis-
22 tration based on the preexisting environmental con-
23 ditions: *Provided further*, That the borrower shall
24 agree to provide environmental agencies access to

1 the property for any reasonable and necessary reme-
2 diation efforts or inspections.”.

3 **Subtitle C—Small Business**
4 **Investment Company Program**

5 **SEC. 241. 5-YEAR COMMITMENTS.**

6 Section 20(a)(2) of the Small Business Act (15
7 U.S.C. 631 note) is amended in the last sentence by strik-
8 ing “the following fiscal year” and inserting “any one or
9 more of the 4 subsequent fiscal years”.

10 **SEC. 242. PROGRAM REFORM.**

11 (a) **TAX DISTRIBUTIONS.**—Section 303(g)(8) of the
12 Small Business Investment Act of 1958 (15 U.S.C.
13 683(g)(8)) is amended in the first sentence—

14 (1) by inserting “, for each calendar quarter or
15 once annually, as the company may elect,” after
16 “the company may”; and

17 (2) by inserting “for the preceding quarter or
18 year” before the period.

19 (b) **LEVERAGE FEE.**—Section 303(i) of the Small
20 Business Investment Act of 1958 (15 U.S.C. 683(i)) is
21 amended by striking “, payable upon” and all that follows
22 before the period and inserting the following: “in the fol-
23 lowing manner: 1 percent upon the date on which the Ad-
24 ministration enters into any commitment for such leverage
25 with the licensee, and the balance of 2 percent (or 3 per-

1 cent in which case in which no commitment has been en-
2 tered into by the Administration) on the date on which
3 the leverage is drawn by the licensee”.

4 (c) PERIODIC ISSUANCE OF GUARANTEES AND
5 TRUST CERTIFICATES.—Section 320 of the Small Busi-
6 ness Investment Act of 1958 (15 U.S.C. 687m) is amend-
7 ed by striking “three months” and inserting “6 months”.

8 (d) INDEXING FOR LEVERAGE.—Section 303 of the
9 Small Business Investment Act of 1958 (15 U.S.C. 683)
10 is amended—

11 (1) in subsection (b)—

12 (A) in paragraph (2), by adding at the end
13 the following:

14 “(D)(i) The dollar amounts in subpara-
15 graphs (A), (B), and (C) shall be adjusted an-
16 nually to reflect increases in the Consumer
17 Price Index established by the Bureau of Labor
18 Statistics of the Department of Labor.

19 “(ii) The initial adjustments made under
20 this subparagraph after the date of enactment
21 of the Small Business Reauthorization Act of
22 1997 shall reflect only increases from March
23 31, 1993.”; and

24 (B) by striking paragraph (4) and insert-
25 ing the following:

1 “(4) MAXIMUM AGGREGATE AMOUNT OF LE-
2 VERAGE.—

3 “(A) IN GENERAL.—Except as provided in
4 subparagraph (B), the aggregate amount of
5 outstanding leverage issued to any company or
6 companies that are commonly controlled (as de-
7 termined by the Administrator) may not exceed
8 \$90,000,000, as adjusted annually for increases
9 in the Consumer Price Index.

10 “(B) EXCEPTIONS.—The Administrator
11 may, on a case-by-case basis—

12 “(i) approve an amount of leverage
13 that exceeds the amount described in sub-
14 paragraph (A) for companies under com-
15 mon control; and

16 “(ii) impose such additional terms and
17 conditions as the Administrator determines
18 to be appropriate to minimize the risk of
19 loss to the Administration in the event of
20 default.

21 “(C) APPLICABILITY OF OTHER PROVI-
22 SIONS.—Any leverage that is issued to a com-
23 pany or companies commonly controlled in an
24 amount that exceeds \$90,000,000, whether as a
25 result of an increase in the Consumer Price

1 Index or a decision of the Administrator, is sub-
2 ject to subsection (d).”; and

3 (2) by striking subsection (d) and inserting the
4 following:

5 “(d) REQUIRED CERTIFICATIONS.—

6 “(1) IN GENERAL.—The Administrator shall re-
7 quire each licensee, as a condition of approval of an
8 application for leverage, to certify in writing—

9 “(A) for licensees with leverage less than
10 or equal to \$90,000,000, that not less than 20
11 percent of the licensee’s aggregate dollar
12 amount of financings will be provided to smaller
13 enterprises; and

14 “(B) for licensees with leverage in excess
15 of \$90,000,000, that, in addition to satisfying
16 the requirements of subparagraph (A), 100 per-
17 cent of the licensee’s aggregate dollar amount
18 of financings made in whole or in part with le-
19 verage in excess of \$90,000,000 will be provided
20 to smaller enterprises as defined in section
21 103(12).

22 “(2) MULTIPLE LICENSEES.—Multiple licensees
23 under common control (as determined by the Admin-
24 istrator) shall be considered to be a single licensee
25 for purposes of determining both the applicability of

1 and compliance with the investment percentage re-
2 quirements of this subsection.”.

3 **SEC. 243. FEES.**

4 Section 301 of the Small Business Investment Act
5 of 1958 (15 U.S.C. 681) is amended by adding the follow-
6 ing:

7 “(e) FEES.—

8 “(1) IN GENERAL.—The Administration may
9 prescribe fees to be paid by each applicant for a li-
10 cense to operate as a small business investment com-
11 pany under this Act.

12 “(2) USE OF AMOUNTS.—Amounts collected
13 pursuant to this subsection shall be—

14 “(A) deposited in the account for salaries
15 and expenses of the Administration; and

16 “(B) available without further appropria-
17 tion solely to cover contracting and other ad-
18 ministrative costs related to licensing.”.

19 **SEC. 244. EXAMINATION FEES.**

20 Section 310(b) of the Small Business Investment Act
21 of 1958 (15 U.S.C. 687b(b)) is amended by inserting after
22 the first sentence the following: “Fees collected under this
23 subsection shall be deposited in the account for salaries
24 and expenses of the Administration, and shall be available

1 without further appropriation solely to cover the costs of
2 examinations and other program oversight activities.”.

3 **Subtitle D—Microloan Program**

4 **SEC. 251. MICROLOAN PROGRAM EXTENSION.**

5 (a) LOAN LIMITS.—Section 7(m)(3)(C) of the Small
6 Business Act (15 U.S.C. 636(m)(3)(C)) is amended by
7 striking “\$2,500,000” and inserting “\$3,500,000”.

8 (b) LOAN LOSS RESERVE FUND.—Section
9 7(m)(3)(D) of the Small Business Act (15 U.S.C.
10 636(m)(3)(D)) is amended by striking clauses (i) and (ii),
11 and inserting the following:

12 “(i) during the initial 5 years of the
13 intermediary’s participation in the program
14 under this subsection, at a level equal to
15 not more than 15 percent of the outstand-
16 ing balance of the notes receivable owed to
17 the intermediary; and

18 “(ii) in each year of participation
19 thereafter, at a level equal to not more
20 than the greater of—

21 “(I) 2 times an amount reflecting
22 the total losses of the intermediary as
23 a result of participation in the pro-
24 gram under this subsection, as deter-

1 mined by the Administrator on a case-
2 by-case basis; or

3 “(II) 10 percent of the outstand-
4 ing balance of the notes receivable
5 owed to the intermediary.”.

6 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
7 7(m) of the Small Business Act (15 U.S.C. 636(m)) is
8 amended—

9 (1) in the subsection heading, by striking
10 “DEMONSTRATION”;

11 (2) by striking “demonstration” each place that
12 term appears;

13 (3) by striking “demonstration” each place that
14 term appears; and

15 (4) in paragraph (12), by striking “during fis-
16 cal years 1995 through 1997” and inserting “during
17 fiscal years 1998 through 2000”.

18 **TITLE III—WOMEN’S BUSINESS** 19 **ENTERPRISES**

20 **SEC. 301. REPORTS.**

21 Section 404 of the Women’s Business Ownership Act
22 of 1988 (15 U.S.C. 631 note) is amended—

23 (1) by inserting “, through the Small Business
24 Administration,” after “transmit”;

1 (2) by striking paragraph (1) and redesignating
2 paragraphs (2) through (4) as paragraphs (1)
3 through (3), respectively; and

4 (3) in paragraph (1), as redesignated, by insert-
5 ing before the semicolon the following: “, including
6 a status report on the progress of the Interagency
7 Committee in meeting its responsibilities and duties
8 under section 402(a)”.

9 **SEC. 302. COUNCIL DUTIES.**

10 Section 406 of the Women’s Business Ownership Act
11 of 1988 (15 U.S.C. 631 note) is amended—

12 (1) in subsection (c), by inserting after “Ad-
13 ministrators” the following: “(through the Assistant
14 Administrator for the Office of Women’s Business
15 Ownership)”; and

16 (2) in subsection (d)—

17 (A) in paragraph (4), by striking “and” at
18 the end;

19 (B) in paragraph (5), by striking the pe-
20 riod at the end and inserting a semicolon; and

21 (C) by adding at the end the following:

22 “(6) submit to the President and to the Com-
23 mittee on Small Business of the Senate and the
24 Committee on Small Business of the House of Rep-
25 resentatives, an annual report containing—

1 “(A) a detailed description of the activities
2 of the council, including a status report on the
3 Council’s progress toward meeting its duties
4 outlined in subsections (a) and (d) of section
5 406;

6 “(B) the findings, conclusions, and rec-
7 ommendations of the Council; and

8 “(C) the Council’s recommendations for
9 such legislation and administrative actions as
10 the Council considers appropriate to promote
11 the development of small business concerns
12 owned and controlled by women.

13 “(e) SUBMISSION OF REPORTS.—The annual report
14 required by subsection (d) shall be submitted not later
15 than 90 days after the end of each fiscal year.”.

16 **SEC. 303. COUNCIL MEMBERSHIP.**

17 Section 407 of the Women’s Business Ownership Act
18 of 1988 (15 U.S.C. 631 note) is amended—

19 (1) in subsection (a), by striking “and Amend-
20 ments Act of 1994” and inserting “Act of 1997”;

21 (2) in subsection (b)—

22 (A) by striking “and Amendments Act of
23 1994” and inserting “Act of 1997”;

24 (B) by inserting after “the Administrator
25 shall” the following: “, after receiving the rec-

1 ommendations of the Chair and the Ranking
2 Member of the Minority of the Committees on
3 Small Business of the House of Representatives
4 and the Senate, ”;

5 (C) by striking “9” and inserting “14”;

6 (D) in paragraph (1), by striking “2” and
7 inserting “4”;

8 (E) in paragraph (2)—

9 (i) by striking “2” and inserting “4”;

10 and

11 (ii) by striking “and” at the end;

12 (F) in paragraph (3)—

13 (i) by striking “5” and inserting “6”;

14 and

15 (ii) by striking “national”.

16 **SEC. 304. AUTHORIZATION OF APPROPRIATIONS.**

17 Section 409 of the Women’s Business Ownership Act
18 of 1988 (15 U.S.C. 631 note) is amended—

19 (1) by striking “1995 through 1997” and in-
20 serting “1998 through 2000”; and

21 (2) by striking “\$350,000” and inserting
22 “\$600,000”, of which \$200,000 shall be for grants
23 for research of women’s procurement or finance is-
24 sues.

1 **SEC. 305. WOMEN'S BUSINESS CENTERS.**

2 (a) IN GENERAL.—Section 29 of the Small Business
3 Act (15 U.S.C. 656) is amended to read as follows:

4 **“SEC. 29. WOMEN'S BUSINESS CENTERS.**

5 “(a) DEFINITIONS.—In this section—

6 “(1) the term ‘small business concern owned
7 and controlled by women’, either startup or existing,
8 includes any small business concern—

9 “(A) that is not less than 51 percent
10 owned by 1 or more women; and

11 “(B) the management and daily business
12 operations of which are controlled by 1 or more
13 women; and

14 “(2) the term ‘women’s business center site’
15 means the location of—

16 “(A) a women’s business center; or

17 “(B) 1 or more women’s business centers,
18 established in conjunction with another wom-
19 en’s business center in another location within
20 a State or region—

21 “(i) that reach a distinct population
22 that would otherwise not be served;

23 “(ii) whose services are targeted to
24 women; and

25 “(iii) whose scope, function, and ac-
26 tivities are similar to those of the primary

1 women's business center or centers in con-
2 junction with which it was established.

3 “(b) AUTHORITY.—The Administration may provide
4 financial assistance to private organizations to conduct 5-
5 year projects for the benefit of small business concerns
6 owned and controlled by women. The projects shall pro-
7 vide—

8 “(1) financial assistance, including training and
9 counseling in how to apply for and secure business
10 credit and investment capital, preparing and pre-
11 senting financial statements, and managing cash
12 flow and other financial operations of a business
13 concern;

14 “(2) management assistance, including training
15 and counseling in how to plan, organize, staff, di-
16 rect, and control each major activity and function of
17 a small business concern; and

18 “(3) marketing assistance, including training
19 and counseling in identifying and segmenting domes-
20 tic and international market opportunities, preparing
21 and executing marketing plans, developing pricing
22 strategies, locating contract opportunities, negotiat-
23 ing contracts, and utilizing varying public relations
24 and advertising techniques.

25 “(c) CONDITIONS OF PARTICIPATION.—

1 “(1) NON-FEDERAL CONTRIBUTIONS.—As a
2 condition of receiving financial assistance authorized
3 by this section, the recipient organization shall agree
4 to obtain, after its application has been approved
5 and notice of award has been issued, cash contribu-
6 tions from non-Federal sources as follows:

7 “(A) In the first and second years, 1 non-
8 Federal dollar for each 2 Federal dollars.

9 “(B) In the third year, 1 non-Federal dol-
10 lar for each Federal dollar.

11 “(C) In the fourth and fifth years, 2 non-
12 Federal dollars for each Federal dollar.

13 “(2) FORM OF NON-FEDERAL CONTRIBU-
14 TIONS.—Not more than one-half of the non-Federal
15 sector matching assistance may be in the form of in-
16 kind contributions which are budget line items only,
17 including but not limited to office equipment and of-
18 fice space.

19 “(3) FORM OF FEDERAL CONTRIBUTIONS.—The
20 financial assistance authorized pursuant to this sec-
21 tion may be made by grant, contract, or cooperative
22 agreement and may contain such provision, as nec-
23 essary, to provide for payments in lump sum or in-
24 stallments, and in advance or by way of reimburse-
25 ment. The Administration may disburse up to 25

1 percent of each year's Federal share awarded to a
2 recipient organization after notice of the award has
3 been issued and before the non-Federal sector
4 matching funds are obtained.

5 “(4) FAILURE TO OBTAIN PRIVATE FUNDING.—
6 If any recipient of assistance fails to obtain the re-
7 quired non-Federal contribution during any project,
8 it shall not be eligible thereafter for advance dis-
9 bursements pursuant to paragraph (3) during the
10 remainder of that project, or for any other project
11 for which it is or may be funded by the Administra-
12 tion, and prior to approving assistance to such orga-
13 nization for any other projects, the Administration
14 shall specifically determine whether the Administra-
15 tion believes that the recipient will be able to obtain
16 the requisite non-Federal funding and enter a writ-
17 ten finding setting forth the reasons for making
18 such determination.

19 “(d) CONTRACT AUTHORITY.—A women's business
20 center may enter into a contract with a Federal depart-
21 ment or agency to provide specific assistance to women
22 and other underserved small business concerns. Perform-
23 ance of such contract should not hinder the women's busi-
24 ness centers in carrying out the terms of the grant re-

1 ceived by the women’s business centers from the Adminis-
2 tration.

3 “(e) SUBMISSION OF 5-YEAR PLAN.—Each applicant
4 organization initially shall submit a 5-year plan to the Ad-
5 ministration on proposed fundraising and training activi-
6 ties, and a recipient organization may receive financial as-
7 sistance under this program for a maximum of 5 years
8 per women’s business center site.

9 “(f) CRITERIA.—The Administration shall evaluate
10 and rank applicants in accordance with predetermined se-
11 lection criteria that shall be stated in terms of relative im-
12 portance. Such criteria and their relative importance shall
13 be made publicly available and stated in each solicitation
14 for applications made by the Administration. The criteria
15 shall include—

16 “(1) the experience of the applicant in conduct-
17 ing programs or ongoing efforts designed to impart
18 or upgrade the business skills of women business
19 owners or potential owners;

20 “(2) the present ability of the applicant to com-
21 mence a project within a minimum amount of time;

22 “(3) the ability of the applicant to provide
23 training and services to a representative number of
24 women who are both socially and economically dis-
25 advantaged; and

1 “(4) the location for the women’s business cen-
2 ter site proposed by the applicant.

3 “(g) OFFICE OF WOMEN’S BUSINESS OWNERSHIP.—
4 There is established within the Administration an Office
5 of Women’s Business Ownership, which shall be respon-
6 sible for the administration of the Administration’s pro-
7 grams for the development of women’s business enter-
8 prises (as that term is defined in section 408 of the Wom-
9 en’s Business Ownership Act of 1988). The Office of
10 Women’s Business Ownership shall be administered by an
11 Assistant Administrator, who shall be appointed by the
12 Administrator.

13 “(h) REPORT.—The Administrator shall prepare and
14 submit an annual report to the Committees on Small Busi-
15 ness of the House of Representatives and the Senate on
16 the effectiveness of all projects conducted under the au-
17 thority of this section. Such report shall provide informa-
18 tion concerning—

19 “(1) the number of individuals receiving assist-
20 ance;

21 “(2) the number of startup business concerns
22 formed;

23 “(3) the gross receipts of assisted concerns;

24 “(4) increases or decreases in profits of assisted
25 concerns; and

1 “(5) the employment increases or decreases of
2 assisted concerns.

3 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated \$8,000,000 per year to
5 carry out the projects authorized by this section. Amounts
6 appropriated pursuant to this subsection are to be used
7 exclusively for grant awards and not for costs incurred by
8 the Administration for the management and administra-
9 tion of the program. Notwithstanding any other provision
10 of law, the Administration may use such expedited acqui-
11 sition methods as it deems appropriate, through the Assist-
12 ant Administrator of the Office of Women’s Business
13 Ownership, to achieve the purposes of this section, except
14 that the Administration shall ensure that all small busi-
15 ness sources are provided a reasonable opportunity to sub-
16 mit proposals.”.

17 (b) APPLICABILITY.—Any organization conducting a
18 3-year project under section 29 of the Small Business Act
19 (15 U.S.C. 656) on the day before the date of enactment
20 of this Act, may extend the term of that project to a total
21 term of 5 years and receive financial assistance in accord-
22 ance with section 29(c) of the Small Business Act (as
23 amended by this title) subject to procedures established
24 by the Administrator in coordination with the Office of
25 Women’s Business Ownership established under section

1 29 of the Small Business Act (15 U.S.C. 656) (as amend-
2 ed by this title).

3 **SEC. 306. OFFICE OF WOMEN'S BUSINESS OWNERSHIP.**

4 Section 29 of the Small Business Act (15 U.S.C. 656)
5 is amended by adding at the end the following:

6 “(i) ASSISTANT ADMINISTRATOR FOR THE OFFICE
7 OF WOMEN'S BUSINESS OWNERSHIP.—

8 “(1) ESTABLISHMENT.—There is established
9 the position of Assistant Administrator for the Of-
10 fice of Women's Business Ownership (hereafter in
11 this section referred to as the ‘Assistant Adminis-
12 trator’) who shall serve without regard to the provi-
13 sions of title 5, United States Code, governing ap-
14 pointments in the competitive service.

15 “(2) RESPONSIBILITIES AND DUTIES.—

16 “(A) RESPONSIBILITIES.—The responsibil-
17 ities of the Assistant Administrator shall be to
18 administer the programs and services of the Of-
19 fice of Women's Business Ownership estab-
20 lished to assist women entrepreneurs in the
21 areas of—

22 “(i) starting and operating a small
23 business;

24 “(ii) development of management and
25 technical skills;

1 “(iii) seeking Federal procurement op-
2 portunities; and

3 “(iv) increasing the opportunity for
4 access to capital.

5 “(B) DUTIES.—Duties of the position of
6 the Assistant Administrator shall include—

7 “(i) administering and managing the
8 Women’s Business Centers program;

9 “(ii) recommending the annual admin-
10 istrative and program budgets for the Of-
11 fice of Women’s Business Ownership (in-
12 cluding the budget for the Women’s Busi-
13 ness Centers);

14 “(iii) establishing appropriate funding
15 levels therefore;

16 “(iv) reviewing the annual budgets
17 submitted by each applicant for the Wom-
18 en’s Business Center program;

19 “(v) selecting applicants to participate
20 in this program;

21 “(vi) implementing this section;

22 “(vii) maintaining a clearinghouse to
23 provide for the dissemination and exchange
24 of information between Women’s Business
25 Centers;

1 “(viii) conducting audits of recipients
2 of grants under this section;

3 “(ix) serving as the vice chairperson
4 of the Interagency Committee on Women’s
5 Business Enterprise;

6 “(x) serving as liaison for the Na-
7 tional Women’s Business Council; and

8 “(xi) advising the Administrator on
9 appointments to the Women’s Business
10 Council.

11 “(3) CONSULTATION REQUIREMENTS.—In car-
12 rying out the responsibilities and duties described in
13 this subsection, the Assistant Administrator shall
14 confer with and seek the advice of the Administra-
15 tion officials in areas served by the Women’s Busi-
16 ness Centers.

17 “(j) PROGRAM EXAMINATION.—

18 “(1) IN GENERAL.—Not later than 180 days
19 after the date of enactment of this subsection, the
20 Administration shall develop and implement an an-
21 nual programmatic and financial examination of
22 each Women’s Business Center established pursuant
23 to this section.

24 “(2) EXTENSION OF CONTRACTS.—In extending
25 or renewing a contract with a Women’s Business

1 Center, the Administration shall consider the results
2 of the examination conducted pursuant to paragraph
3 (1).

4 “(k) CONTRACT AUTHORITY.—The authority of the
5 Administration to enter into contracts shall be in effect
6 for each fiscal year only to the extent and in the amounts
7 as are provided in advance in appropriations Acts. After
8 the Administration has entered a contract, either as a
9 grant or a cooperative agreement, with any applicant
10 under this section, it shall not suspend, terminate, or fail
11 to renew or extend any such contract unless the Adminis-
12 tration provides the applicant with written notification set-
13 ting forth the reasons therefore and affording the appli-
14 cant an opportunity for a hearing, appeal, or other admin-
15 istrative proceeding under chapter 5 of title 5, United
16 States Code.”.

17 **TITLE IV—COMPETITIVENESS**
18 **PROGRAM**

19 **SEC. 401. PROGRAM TERM.**

20 Section 711(c) of the Small Business Competitiveness
21 Demonstration Program Act of 1988 (15 U.S.C. 644 note)
22 is amended by striking “, and terminating on September
23 30, 1997”.

1 **SEC. 402. MONITORING AGENCY PERFORMANCE.**

2 Section 712(d)(1) of the Small Business Competitive-
3 ness Demonstration Program Act of 1988 (15 U.S.C. 644
4 note) is amended to read as follows:

5 “(1) Participating agencies shall monitor the
6 attainment of their small business participation
7 goals on an annual basis. An annual review by each
8 participating agency shall be completed not later
9 than January 31 of each year, based on the data for
10 the preceding fiscal year, from October 1 through
11 September 30.”.

12 **SEC. 403. REPORTS TO CONGRESS.**

13 Section 716(a) of the Small Business Competitive-
14 ness Demonstration Program Act of 1988 (15 U.S.C. 644
15 note) is amended by striking “September 30, 1996” and
16 inserting a period.

17 **SEC. 404. SMALL BUSINESS PARTICIPATION IN DREDGING.**

18 Section 722(a) of the Small Business Competitive-
19 ness Demonstration Program Act of 1988 (15 U.S.C. 644
20 note) is amended by striking “, and terminate on Septem-
21 ber 30, 1997”.

22 **SEC. 405. TECHNICAL AMENDMENT.**

23 Section 717 of the Small Business Competitiveness
24 Demonstration Program Act of 1988 (15 U.S.C. 644 note)
25 is amended by striking “standard industrial classification
26 code” wherever it appears in that section and inserting

1 in lieu thereof “North American Industrial Classification
2 Code”.

3 **TITLE V—MISCELLANEOUS**
4 **PROVISIONS**

5 **SEC. 501. SMALL BUSINESS DEVELOPMENT CENTERS.**

6 (a) IN GENERAL.—Section 21(a) of the Small Busi-
7 ness Act (15 U.S.C. 648(a)) is amended—

8 (1) in paragraph (1), by inserting “any wom-
9 en’s business center operating pursuant to section
10 29,” after “credit or finance corporation,”;

11 (2) in paragraph (3)—

12 (A) by striking “, but with” and all that
13 follows through “parties.” and inserting the fol-
14 lowing: “for the delivery of programs and serv-
15 ices to the Small Business community. Such
16 programs and services shall be jointly devel-
17 oped, negotiated, and agreed upon, with full
18 participation of both parties, pursuant to an ex-
19 ecuted cooperative agreement between the Small
20 Business Development Center applicant and the
21 Administration.”; and

22 (B) by adding at the end the following:

23 “(C) On an annual basis, the Small Business
24 Development Center shall review and coordinate
25 public and private partnerships and cosponsorships

1 with the Administration for the purpose of more effi-
2 ciently leveraging available resources on a National
3 and a State basis.”;

4 (3) in paragraph (4)(C)—

5 (A) by striking clause (i) and inserting the
6 following:

7 “(i) IN GENERAL.—

8 “(I) MAXIMUM AMOUNT.—Except as
9 provided in clause (ii), and subject to sub-
10 clause (II) of this clause, the amount of a
11 grant received by a State under this sec-
12 tion shall not exceed greater of—

13 “(aa) \$500,000; and

14 “(bb) the State’s pro rata share
15 of a national program, based upon the
16 population of the State as compared
17 to the total population of the United
18 States.

19 “(II) EXCEPTION.—Subject to the
20 availability of amounts made available in
21 advance in an appropriations Act to carry
22 out this section for any fiscal year in ex-
23 cess of amounts so provided for fiscal year
24 1997, the amount of a grant received by a

1 State under this section shall not exceed
2 the greater of \$500,000, and the sum of—

3 “(aa) the State’s pro rata share
4 of a national program, based upon the
5 population of the State as compared
6 to the total population of the United
7 States; and

8 “(bb) and \$300,000 in fiscal year
9 1998, \$400,000 in fiscal year 1999,
10 and \$500,000 in each fiscal year
11 thereafter.”; and

12 (B) in clause (iii), by striking “(iii)” and
13 all that follows through “1997.” and inserting
14 the following:

15 “(iii) NATIONAL PROGRAM.—The national
16 program under this section shall be—

17 “(I) \$85,000,000 for fiscal year 1998;

18 “(II) \$90,000,000 for fiscal year
19 1999; and

20 “(III) \$95,000,000 for fiscal year
21 2000 and each fiscal year thereafter.”; and

22 (4) in paragraph (6)—

23 (A) in subparagraph (A), by striking
24 “and” at the end;

1 (B) in subparagraph (B), by striking the
2 comma at the end and inserting “; and”;

3 (C) inserting after subparagraph (B) the
4 following:

5 “(C) with outreach, development, and en-
6 hancement of minority-owned small business
7 startups or expansions, veteran-owned small
8 business startups or expansions, and women-
9 owned small business startups or expansions, in
10 communities impacted by base closings or mili-
11 tary or corporate downsizing, or in rural or un-
12 derserved communities;”.

13 (b) SBDC SERVICES.—Section 21(c) of the Small
14 Business Act (15 U.S.C. 648(c)) is amended—

15 (1) in paragraph (3)—

16 (A) in subparagraph (A), by striking
17 “businesses;” and inserting “businesses, includ-
18 ing—

19 “(i) working with individuals to increase
20 awareness of basic credit practices and credit
21 requirements;

22 “(ii) working with individuals to develop-
23 ment business plans, financial packages, credit
24 applications, and contract proposals;

1 “(iii) working with the Administration to
2 develop and provide informational tools for use
3 in working with individuals on pre-business
4 startup planning, existing business expansion,
5 and export planning; and

6 “(iv) working with individuals referred by
7 the local offices of the Administration and Ad-
8 ministration participating lenders;”;

9 (B) in each of subparagraphs (B), (C),
10 (D), (E), (F), (G), (M), (N), (O), (Q), and (R)
11 by moving each margin two ems to the right;

12 (C) in subparagraph (C), by inserting “and
13 the Administration” after “Center”;

14 (D) in subparagraph (Q), by striking
15 “and” at the end;

16 (E) in subparagraph (R), by striking the
17 period at the end and inserting “; and”;

18 (2) in paragraph (5)—

19 (A) by moving the margin 2 ems to the
20 right;

21 (B) by striking “paragraph (a)(1)” and in-
22 serting “subsection (a)(1)”;

23 (C) by striking “which ever” and inserting
24 “whichever”; and

1 (D) by striking “last,,” and inserting
2 “last,”;

3 (3) by redesignating paragraphs (4) through
4 (7) as paragraphs (5) through (8), respectively; and

5 (4) in paragraph (3), in the undesignated mate-
6 rial following subparagraph (S) (as added by this
7 subsection), by striking “A small” and inserting the
8 following:

9 “(4) A small”.

10 (c) COMPETITIVE AWARDS.—Section 21(l) of the
11 Small Business Act (15 U.S.C. 648(l)) is amended by add-
12 ing at the end the following: “If any contract under this
13 section is not renewed or extended, award of the succeed-
14 ing contract shall be made on a competitive basis.”.

15 (d) PROHIBITION ON CERTAIN FEES.—Section 21 of
16 the Small Business Act (15 U.S.C. 648) is amended by
17 adding at the end the following:

18 “(m) PROHIBITION ON CERTAIN FEES.—A small
19 business development center shall not impose or otherwise
20 collect a fee or other compensation in connection with the
21 provision of counseling services under this section.”.

22 **SEC. 502. SMALL BUSINESS EXPORT PROMOTION.**

23 (a) IN GENERAL.—Section 21(c)(3) of the Small
24 Business Act (15 U.S.C. 648(c)(3)) is amended—

1 (1) in subparagraph (Q), by striking “and” at
2 the end;

3 (2) in subparagraph (B), by striking the period
4 at the end and inserting “; and”; and

5 (3) by inserting after subparagraph (R) the fol-
6 lowing:

7 “(S) providing small business owners with
8 access to a wide variety of export-related infor-
9 mation by establishing on-line computer link-
10 ages between small business development cen-
11 ters and an international trade data informa-
12 tion network with ties to the Export Assistance
13 Center program.”.

14 (b) **AUTHORIZATION OF APPROPRIATIONS.**—There
15 are authorized to be appropriated to carry out section
16 21(c)(3)(S) of the Small Business Act (15 U.S.C.
17 648(c)(3)(S)), as added by this section, \$1,500,000 for
18 each of fiscal years 1998 and 1999.

19 **SEC. 503. PILOT PREFERRED SURETY BOND GUARANTEE**
20 **PROGRAM EXTENSION.**

21 Section 207 of the Small Business Administration
22 Reauthorization and Amendment Act of 1988 (15 U.S.C.
23 694b note) is amended by striking “September 30, 1997”
24 and inserting “September 30, 2000”.

1 **SEC. 504. VERY SMALL BUSINESS CONCERNS.**

2 Section 304(i) of Public Law 103–403 (15 U.S.C.
3 644 note) is amended by striking “1998” and inserting
4 “2000”.

○