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Senate

The Senate met at 10 a.m. and was called to order by the Honorable JEANNE SHAHEEN, a Senator from the State of New Hampshire.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Our Father, the giver of every good and perfect gift, we need Your power. Strengthen us for today's challenges and use us to glorify Your Name.

Empower our lawmakers to do Your will. Direct them in their labors, strengthen them to meet each challenge, and shield them from discouragement. May they not depart in words, thoughts, or deeds from Your purposes for their lives. Lord, give them the wisdom to trade in the spirit of self-importance for the spirit of self-sacrifice, inspired by the certainty that You are guiding their steps.

We pray in Your sacred Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JEANNE SHAHEEN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. INOUYE).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 29, 2010.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JEANNE SHAHEEN, a Senator from the State of New Hampshire, to perform the duties of the Chair.

DANIEL K. INOUYE,
President pro tempore.

Mrs. SHAHEEN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Madam President, following leader remarks, the Senate will turn to a period of morning business, with Senators allowed to speak for up to 10 minutes each. The majority will control the first 30 minutes, the Republicans will control the next 30 minutes. Following leader remarks, the Senate will resume consideration of the motion to proceed to H.R. 5297, the small business jobs bill. The Senate will recess from 12:30 until 2:15 p.m. to allow for the weekly caucus luncheons. At 2:15, the Senate will proceed to a roll-call vote on the motion to invoke cloture on the motion to proceed to the Small Business Jobs Act.

MEASURE PLACED ON THE CALENDAR—H.R. 5175

Mr. REID. Madam President, H.R. 5175 is at the desk and due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will read the title of the bill for the second time.

The legislative clerk read as follows:

A bill (H.R. 5175) to amend the Federal Election Campaign Act of 1971 to prohibit foreign influence in Federal elections, to prohibit government contractors from making expenditures with respect to such elections, and to establish additional disclosure requirements with respect to spending in such elections, and for other purposes.

Mr. REID. Madam President, I would object to any further proceedings at this time.

The ACTING PRESIDENT pro tempore. Objection is heard. The bill will be placed on the calendar.

Mr. REID. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCONNELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

NOMINATION OF GENERAL DAVID PETRAEUS

Mr. MCCONNELL. Madam President, the Senate's confirmation hearing for Gen. David Petraeus is now underway. Seeing Gen. Petraeus should remind all of us of the successful counterinsurgency campaign he led in Iraq and of the sacrifices made by coalition forces there before and after the surge of forces in 2007. Regimental and brigade combat teams protected the population and fought hard battles while a counterterrorism campaign, led by General McChrystal, was conducted against insurgent leaders.

Today's hearing also reminds us of the divisive debate that preceded that successful counterinsurgency campaign and of the skepticism and criticisms leveled against General Petraeus by some of our colleagues across the aisle at the time.

Fortunately, the critics did not prevail, either in their attacks on General

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Petraeus or in their calls for a hasty withdrawal of troops based on political timelines rather than the security and stability of Iraq.

If we learned anything from that debate, it is that our national security and the stability of the region outweigh short-term political calculations.

It is clear that our Nation's efforts must be integrated in Afghanistan, just as they were in Iraq. It is worth remembering our forces in Afghanistan have been conducting a counterterrorism campaign for more than 8 years, and this has been insufficient to keep the Taliban from regaining the momentum in Afghanistan. American and Afghan security forces must do more to ensure the Afghan populace that it will be protected, something undermined by withdrawal deadlines.

The surge of forces into Afghanistan ordered by the President is not yet complete. General Petraeus is the right General to command this operation and he should be confirmed quickly.

Madam President, my understanding is that the senior Senator from Washington has a unanimous-consent request she would like to propound.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

UNANIMOUS-CONSENT REQUEST—S. 1237

Mrs. MURRAY. Madam President, I thank the Republican leader.

I came to the floor last week and spoke in support of S. 1237, which is the Homeless Veterans and Other Veterans Health Care Authorities Act of 2010, an extremely important and timely bill that will help many women, women with children, and men with children today who served our country, who have come home and do not have the support and services they need and end up homeless on our streets. So I come to the Senate floor today to urge our colleagues to pass this bill quickly.

I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 360, S. 1237, the Homeless Veterans and Other Veterans Health Care Authorities Act; that the committee-reported substitute amendment be considered; that an Akaka amendment, which is at the desk, be agreed to; the substitute amendment, as amended, be agreed to; the bill, as amended, be read a third time and passed; that the committee-reported title amendment be agreed to; and that the motions to reconsider be laid upon the table, with no intervening action or debate.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. MCCONNELL. Madam President, reserving the right to object, and I will have to object on behalf of my colleague, Senator COBURN from Oklahoma, he has some concerns about this legislation, particularly, as he indicates in a letter I will ask to have printed in the RECORD, that it be paid for up front so the promises to America's veterans are, in fact, kept. So I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. MCCONNELL. I ask unanimous consent that the letter from Senator COBURN to myself on this matter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, June 24, 2010.

Hon. MITCH MCCONNELL,
Minority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR MCCONNELL: I am requesting that I be consulted before the Senate enters into any unanimous-consent agreements regarding S. 1237, the Homeless Veterans and Other Veterans Health Care Authorities Act of 2010.

I strongly believe we must honor our commitment to our nation's veterans as well as our taxpayers. This means we must fulfill the promises made to veterans who made sacrifices defending our freedom, but in a fiscally responsible manner that doesn't bankrupt our country, endangering those very freedoms for which they sacrificed.

This bill authorizes $3.4 billion in new spending over the next five years. Yet, the legislation does not reduce spending by other government programs to pay for this new spending. At this time, when our nation is projected to add more than a trillion dollars a year to our already unsustainable $13 trillion national debt, it is irresponsible to authorize any new spending that is not paid for because the end result will either be a false promise to our veterans or a lower standard of living for the children and grandchildren of those veterans who will be burdened with the debt.

I would like to pay for this legislation by reducing lower priority and wasteful spending elsewhere in the government. There are many options to do this, including:

Eliminating nonessential government travel which would save $10 billion over ten years;

Reducing unnecessary printing costs of government documents which would save $4.4 billion over ten years;

Disposing of unneeded and unused government property which would collect up to $15 billion;

Eliminating bonuses to government contractors whose projects are over budget or behind scheduled;

Collecting $3 billion in unpaid federal taxes from government employees, including nearly $2.5 million owed by Senate staff; and

Rescinding the $100 million increase Congress approved for its own budget this year.

There are also hundreds of duplicative, outdated, and wasteful programs that could be eliminated to pay for this bill.

Several months ago, the Senate passed S. 1963, the Caregivers and Veterans Omnibus Health Services Act, which authorized $3.6 billion in new caregiver benefits for some veterans. At that time, I warned that unless they bill was paid for—which I offered amendments to do its—passage would be ''an empty promise to veterans and benefits no one except perhaps the career politicians who will claim credit for doing something to help veterans without really having to make any difficult choices.'' Unfortunately, I was right.

The same is likely to be true of this bill. It contains billions of dollars of additional promises which are unaffordable to taxpayers and uncertain for veterans in need.

Veterans and taxpayers should be weary of unpaid for, election year promises made by Washington politicians. With the percentage of Americans approving of Congress' performance barely above single digits, more broken promises and red ink will only bring greater disdain to this institution.

I would, therefore, insist as a condition of my consent for the passage of this bill that the new and expanded benefits in this legislation be paid for upfront so the promises it makes to veterans are kept.

Again, thank you for protecting my rights regarding S. 1237, the Homeless Veterans and Other Veterans Health Care Authorities Act of 2010.

Sincerely,

TOM A. COBURN, M.D.
U.S. Senator.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

Mrs. MURRAY. Madam President, I again thank the Republican leader. I know he is objecting on behalf of another Senator. I just wish to say that this is such an important bill.

We had an amazing woman come and visit last week. Her name is Natalie, and she has two young children. She is living in Issaquah, in my home State of Washington. She has been through some very tough times. She is a Navy veteran. She is a single mom. She came home from serving our country and ended up without a place to live, and they are now living on the streets. She, like any mom, wanted to do everything she could to take care of her kids and provide them the kind of quality of life every one of us does, but she could not find a stable job or income and ended up on the streets.

Natalie became homeless in 2007 when she could not find work and had to move out of the house she was staying in.

Natalie wanted nothing more than to provide her two children with the stable and loving home every family deserves, so she fought to secure transitional housing, and she was very fortunate to find a program called Hopelink in Washington State that gave her the support she needed to get back on her feet.

Natalie is now back in stable housing, taking care of her children and advancing in her nursing career. She came to Washington, DC, last Tuesday to help make sure no other family has to face the challenges she overcame so bravely.

Unfortunately, not every family gets the support that Natalie's did.

Homeless women veterans and homeless veterans with children are two terribly vulnerable groups that are growing by the day.

Back in my home State of Washington, veterans service organizations and homeless providers have told me they are seeing more homeless veterans coming for help than ever before.

And unfortunately, more and more of these veterans are women, have young children, or both.

In fact, female veterans are between two and four times as likely to be homeless as their civilian counterparts and they have unique needs and often require specialized services.

That is why I introduced the Homeless Women Veterans and Homeless Veterans with Children Act and it is why it's so important that we move quickly to pass it.

My bill would take three big steps forward toward tackling the serious problems facing this vulnerable group.

First of all, it would make more front-line homeless service providers eligible to receive special needs grants.

This would help organizations in Washington State and across the country help support families like Natalie's.

It would also expand special needs grants to cover homeless male veterans with children as well as the dependents of homeless veterans themselves.

And it would extend the Department of Labor's Homeless Veterans Reintegration Program to provide: workforce training, job counseling, child care services, and placement services to homeless women veterans and homeless veterans with children,

It is so important that we not just provide immediate support but we also make sure our veterans have the resources and support they need to get back on their feet.

This is a very personal issue for me.

Growing up, I saw firsthand the many ways military service can affect both veterans and their families.

My father served in World War II and was among the first soldiers to land on Okinawa. He came home as a disabled veteran and was awarded the Purple Heart.

Like many soldiers of his generation, my father did not talk about his experiences during the war. In fact, we only really learned about them by reading his journals after he passed away.

And I think that experience offers a larger lesson about veterans in general. They are reluctant to call attention to their service, and they are reluctant to ask for help.

That is why we have got to publicly recognize their sacrifices and contributions.

It is up to us to make sure that they get the recognition they have earned.

And it is up to us to guarantee they get the services and support they deserve.

This bill passed through the Senate Veterans Affairs Committee with strong bi-partisan support.

Because supporting our veterans should not be about politics, it should be about what kind of country we want the United States to be. And about what our priorities are as a nation.

That is why I am proud to stand here today: for Natalie, her children, and families just like hers across the country.

At this time, with our economy struggling—it is a very tough time, particularly for our veterans who are returning home—the most vulnerable population today is our women because many of the transitional housing and projects for our veterans don't have facilities for women or for women with children or, as a matter of fact, for men who are veterans coming home to young children.

So this is an extremely important piece of legislation. This had bipartisan support coming out of our committee. I will keep coming to the floor to ask for unanimous consent because I cannot go home and look at someone who served our country with distinction and honor who today is living on the street because the Senate is objecting. I will just let my colleagues know I will keep working on this because it is the right thing to do.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business for 1 hour, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the majority controlling the first half and the Republicans controlling the final half.

The ACTING PRESIDENT pro tempore. The Senator from Florida.

GULF OILSPILL

Mr. NELSON of Florida. Madam President, I wish to give the Senate a report on the gulf oilspill.

Mother Nature is now developing hurricane and it is very likely within a couple of days of reaching hurricane strength, which is 75 miles per hour or greater, but Mother Nature is smiling on us in that it is going on a more westerly track. It will probably go into the coast at northern Mexico, possibly southern Texas, but it will keep it away from heading into the area to the east of Louisiana where the oilspill is. Of course, if it had gone on that trajectory, then one of the worst nightmares would be that it takes all that oil on the surface, and in the rage of a hurricane, the counterclockwise rotation of the winds would take that right on to shore over the barrier islands, into the bays and estuaries where oil, once contaminating all the marsh grasses, becomes so difficult to get out.

The effects of that we don't know. It could be for years to come, just as we don't know the effects of the subsurface oil that is there, that the scientists have identified, that BP denies, that even some of our Federal officials in NOAA deny. We are waiting on their report. Of course, we won't know the effects of that for years. We have a lot of uncertainty here. But at least for the moment, the hurricane is not bearing down on the oilspill, although let me remind my colleagues that we have a very active hurricane season coming up.

What it is going to do, this first hurricane, is make the seas choppy and the waves large, even that far away. As a result, the skimming operations are going to be thwarted.

That brings me to the topic of the skimming operations.

I am grateful, since the U.S. Navy had identified 27 additional small skimmers that are stationed in ports around the country, that those have now been tasked to come to our inland waterways that are calm waters such as ports so that when the oil comes through the passes, through the inlets and gets into those calm water bays, we will have those skimmers there positioned to try to get it skimmed up before it gets into the marsh grasses. But why did it take so long? Why, of the 27, have only 9 been put on trailers and are on their way to the gulf? Why are the remaining 18 having to go through the legal ramifications, which I understand the law is the law, not to be completed until June 30, which is tomorrow, but why wasn't this done weeks ago? Because people do not have the sense of urgency that we do down on the gulf coast. They are not seeing their lives destroyed and their livelihoods eliminated and their culture completely changed.

Of course, the effects of this for years, with 60,000—now people are finally getting around to acknowledging that it is 60,000—barrels of oil a day gushing into the gulf. It is filling up the gulf. It is affecting us and our way of life.

There are how many States on the gulf? Texas, Louisiana, Mississippi, Alabama, and the big one, with the most coastline, Florida, my native land. How many is that? That is five. The remaining 45 States are not affected. They can see it nightly on the TV. They can rant and rave, and they can see that gusher that continues. It is there on TV for us to see, and we can be mad about that. But unless one lives there and understands the daily effect on people's lives, they can't get that sense of outrage we have. So is it any wonder I have such impatience when five of my counties on the gulf coast have submitted requisition forms for the moneys they have advanced and they still have not been paid? Is it any wonder I have a sense of outrage when I see people lose incomes because cancellations are coming in on a daily basis? Is it any wonder I have a sense of outrage when I see local governments not being able to plan on their budgets because they don't know what their local tax revenue is going to be because of a diminution of business? Is it any wonder those of us on the gulf have a sense of outrage as we see the fear, the trepidation, the anxiety about the future about what their livelihoods are?

I am going down to the White House now to talk about the one thing we can make something good come out of this travesty, and that is the future of trying to wean ourselves from our dependence on oil by aggressively going after

alternative energy sources. I hope out of this tragedy that will be one of the outcomes and that it will be led vigorously. But that sense of outrage I don't see. I am going to try to express it in the next few moments.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

REMEMBERING SENATOR ROBERT C. BYRD

Mrs. MURRAY. Madam President, I come to the floor this morning to pay my respects to a most amazing man who the Senate Chamber has lost, Senator ROBERT C. BYRD. It certainly is a sad day for the Senate, for all the people of West Virginia who loved this man so much, and for the entire country, as we mourn the loss of the Nation's longest serving Senator.

ROBERT C. BYRD was a historian, a poet, and he truly was a master of the Senate. We have heard a lot about this remarkable man. A lot of it bears repeating today. He was the longest serving Member in the history of this institution. He had courage. He had humility. He had intelligence. He had a vision that helped lead the Senate for many years. But he also showed us that one can change over time and admit their wrongs and move on and fight for what they believe is right.

His principled stands are what I will remember most about him. I was so proud, back in 2002, to stand with him and a total of 23 Senators who voted against the Iraq war. I will not forget how strong he was, reminding us that as a country we do not have to act out of fear. I was proud to stand with him many times since then, when he would knowingly wink at me and remind us of the 23 who stood tall in the Chamber that day.

His floor speeches were legendary. I remember so many times throughout my tenure with him as he railed on the floor about whatever passion he had at the moment, whether it was his little dog he would tell us a story about or some part of history he wanted to remind us of, always with a point at the end. I remember his compassion as he spoke, and his flailing arms. He always reminded us that we are human beings here. He had a true way with words, and he literally wrote the book on the Senate. Most importantly, he protected this institution from every attack.

To his very last days here he was weighing in on proposed changes to the filibuster rule, a rule he played a central part in reforming three decades ago.

But the true honor of serving with Senator BYRD came from his personal touch. I personally so remember my very first meeting many years ago with Senator BYRD. I came here as a brandnew Senator in 1993. I wanted to serve on the Appropriations Committee, the committee he chaired. It is a very powerful committee. It was a big ask for a freshman Senator coming in. I was told that in order to get that seat, I would have to call him up and ask for a personal meeting. That was pretty intimidating, coming here brandnew and asking for a meeting with the chair of the entire Appropriations Committee.

He granted the meeting. I remember walking over to the Capitol to his office and not knowing what to expect. I couldn't have known what to expect because, when I walked in, I found this warm, wonderful, cordial human being. He regaled me with stories from his youth and talked about being a coal miner's son and the poverty he grew up in. He showed me his fiddle he was so proud of but that he played no more. He told me poetry he recited from memory. I remember sitting in his office and thinking: I can't believe I am sitting here with a part of history. Then, of course, he grilled me on my stance on the balanced budget amendment and the line item veto before he said: Yes, I would like you to serve on my committee.

I have been so proud to serve on that committee with him ever since. He taught me so much about protocol, about managing legislation, about the rules of the Senate, about respect. Yes, respect was what I think I learned from him most. He was a taskmaster. He believed passionately in the rules of the Senate, but he also believed in working together for the common good.

In the first year I was here, Senator Hatfield, Republican from Oregon, and Senator BYRD were the chair and ranking member on the Appropriations Committee. Senator BYRD called and asked me to come to lunch in his office with a small group of Senators, with Senator Hatfield and myself and several Democrats and Republicans. I was so honored to be asked, and I came over not knowing what to expect. Senator BYRD and Senator Hatfield, a Republican and Democrat, a chair and a ranking member of the most powerful committee, the Appropriations Committee, sat and talked to us about what they felt was being lost from the Senate and that, as new Members, it was our responsibility to return the Senate to. That was respect and listening to each other. They told us in words about how ''one year I might be chair,'' said Senator BYRD, ''but I know full well an election will change things and Senator Hatfield will become chair. So we better work together, and we better respect each other, as we put our bills together. Because you never know when you are going to be in the minority or the majority.''

Their words were powerful. But even more powerful was sitting there listening to these two gentlemen, a Republican and Democrat, listen to each other, laugh together, have lunch together, and pass on a lesson to those following us about what we all need to be when we call ourselves United States Senators.

Senator BYRD earned many titles over the years: majority whip, majority leader, chairman of the Appropriations Committee. But I know the title he cherished the most was husband. His love of his family trumped everything else.

I so remember one time my husband, who lives out in the State of Washington—as my colleagues know, I travel home every weekend to be with my family—one weekend my husband came out here to be with me. Why? Because it was our anniversary. I was going to be here voting so he traveled here from Washington State and came into the Capitol. As he was coming in, I met him. Senator BYRD happened to be leaving the Senate Chamber. He saw my husband and he welcomed him and said: What are you doing out here in the other Washington? My husband said: It is our anniversary. Senator BYRD said: Well, which anniversary is it?

Rob said to him: It is our thirty-second. Senator BYRD paused and nodded, and he said: That is a good start.

He had been married for 67 years. He was going home to be with his wife. That is a moment I will cherish, because it sets in perspective all that I know about Senator BYRD. He taught by example. He taught by words. He knew humor and how to use it. But most of all, he had respect for every one of us here.

He was a gentleman. He certainly was tough. But he treated everyone with dignity and respect. Everyone here on this floor has been molded by his presence. We have learned so much from him, and he will be missed.

But I know for certain his work and his passion and his spirit will never be gone from this Senate he loved so much, and I know as I walk on this Senate floor, I will try and remember, as he taught me so well, respect of others above all.

Madam President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. DURBIN. Madam President, how much time is remaining in morning business on our side?

The ACTING PRESIDENT pro tempore. There is 9½ minutes remaining.

Mr. DURBIN. Thank you very much.

Madam President, yesterday I joined Senator MURRAY and others in giving my tribute to Senator BYRD, and I will not repeat my remarks. But I look forward to other Members coming to the floor with their own memories and reminiscences of this great man who served this Nation and the State of West Virginia so honorably for so long and the fact that I was honored to serve with him for 14 years in the Senate.

UNEMPLOYMENT BENEFITS

Mr. DURBIN. Madam President, I know an issue that was always important to ROBERT BYRD was the working men and women of West Virginia. If there was one thing that innervated him and inspired him, it was the memory of his youth and growing up in the

most impoverished circumstances where he could not attend college and had to go to work straight out of high school. It was not until many years later that he completed college and law degrees as a Member of the Congress. It was an extraordinary feat to be able to achieve that.

I think of him when I think of the bill we considered last week because it was a bill that tried to help struggling families across America in the midst of this recession. We tried to extend unemployment benefits for those who are out of work across America. The estimates range from 8 million to 14 million Americans—people who had a job and are now out of a job through no fault of their own. There are an estimated five unemployed people for every available job. So it is not a situation, which some have said, where there is a lack of effort on their part. It is a very hard thing to find a job.

I have visited unemployment offices in Chicago, in Springfield, and all over my State and met with these people, many of whom are desperate. They put out their resumes online in an effort to try to get an opportunity for a job and just cannot get any response whatsoever. They spend day after weary day going through the want ads and going through the Internet postings in the hope of finding something.

What we have tried to do is to say to families in this distress: We are going to give you a helping hand so you can survive. That was a major part of this bill. We were going to extend unemployment benefits across America for an additional 6 months, until the end of the year. I wish I could say the economy was turning around more quickly, and it is not necessary, but I think we know better. We know many families without these unemployment benefits just cannot make it.

We had a vote last week on unemployment benefits for unemployed Americans, out of work through no fault of their own, and could not get a single Republican to vote for it—not one. Not one Republican would vote for cloture so we could move to passage of that bill.

There were many things in the bill, but that one hit home this weekend when a friend of mine, a woman whom I have known for a number of years now, called me. I respect her so much. I met her at a drug rehab facility far away from my home in a corner of our State. She had been addicted to crack, but for the last 8 years she has been drug-free. She is a single mom, and she has three children living in her home. One of her daughters has a little boy who is 4 months old.

She called me over the weekend and said: I can't find a job. I keep looking, and I can't find a job. Now they are going to cut off the utilities to my home.

That is the reality of what a vote on the Senate floor means in the real world. I wonder sometimes how some of my colleagues can consistently decide they are not going to vote to support these American families. I struggle to understand how we can be spending billions of dollars in an effort to rebuild Afghanistan, to try to put these people back on their feet and give them a future, and turn our backs on our own. That is what happened.

This bill had many provisions in it, but that one hit home. There was another one. There was a provision in this bill to send money to the States to help them pay for Medicaid. Medicaid is health insurance for poor and unemployed people. Of course, there are more demands for Medicaid because so many people are out of work. The States are struggling to provide the medical assistance these families need, and many of us believed it was only fair that we in Washington try to help these States through these difficult times by sending this money back to the States.

Not a single Republican—not one—would vote to help us help the Governors in States that are struggling to pay these medical bills for the unemployed and poor in their State. It just strikes me that we have an obligation to our own—to our American family—and that obligation is being ignored by those who vote against it.

During the course of the day and this week Senators from the Republican side of the aisle are likely to come to the floor and ask that specific provisions in that bill pass. They do not want to help the unemployed, they do not want to help provide medical care for the poor and unemployed, but they have tax provisions they want to pass. Some of them I agree with; some of them are very important and valuable to us. But it seems to me only fair that if we are going to consider these provisions, we consider the whole bill.

So as they are making unanimous consent requests to pick out the piece they like in the bill, I will be making a unanimous consent request to pass the bill in its entirety—not just the tax provisions that help families but also help businesses and corporations, but also to make sure we help those who need a helping hand.

I often wonder why the Republicans would oppose helping the unemployed. Traditionally, it has been a bipartisan issue. We have said if a disaster hits some part of our country, we will rally behind that part of our country. It has happened in Illinois. I have come to the floor of the Senate and the House when we have faced a natural disaster, whether it was a flood or a tornado or whatever it happened to be. Colleagues of mine from far-flung places across the United States have said: We will be there to help you because tomorrow may be a day when we need help too. We pitch in together to help one another. Yet when it comes to this bill to help those who are unemployed across America, they resist it. I try to get into the bill to try to understand why the Republicans oppose helping those who have lost their jobs through no fault of their own, why the Republicans oppose basic health care for people who are in the most dire circumstances.

It turns out that some of it has to do with the tax policy that is in this bill. You see, one of the things we are doing is closing the loophole that allows American businesses to ship jobs overseas. Yes, there are rewards in America's Tax Code for corporations that decide to close down their plants in Galesburg, IL, or in the State of New Hampshire, and move them overseas. It makes no sense. Why would we create tax incentives, financial incentives for American corporations to shut down in the United States and build overseas?

This bill closes those loopholes, and I can tell you, some of the biggest corporations in America are angry about it. They want to have a helping hand to move good-paying jobs overseas. Well, they are not going to get a helping hand from this Senator and a lot of others. Yet there are some on the other side of the aisle who happen to agree with that position.

This bill also has tax incentives to help small businesses. For goodness' sake, if we will ever get out of that recession, it will be because small businesses get back on their feet and hire more people. This is a good bill which the Republicans refuse to support. I do not know how we can go home for the Fourth of July weekend, take a week off afterwards, and ignore the obvious: that while we are at home with our families, other families will be asking themselves basic questions about whether they will have their gas or electricity cut off in their homes.

That is the reality of what we are facing.

I take a look at the estimated number of people who will lose their unemployment compensation because of this vote by the Republicans against extending unemployment compensation, and throughout the month of June it will mean some 80,000 people in my State of Illinois will be losing this kind of help. It is also a fact in States such as California, 255,000 people; Florida, 115,000 unemployed will have their benefits cut off; 40,000 in Indiana; 107,000 in Pennsylvania; 95,000 in New York; 65,000 in Texas; 33,000 in Wisconsin. The numbers are huge in these States. Yet the Republicans refuse to give us one vote in support of moving this forward—this bill to help those who are out of work and create a better environment to create jobs in America.

I often wonder if this is part of some campaign strategy to try to slow down the economic recovery in the hopes that it has some political advantage, but that is a very cynical analysis and I believe most Senators on both sides of the aisle pray that our recovery comes sooner rather than later.

But we need their votes to show it. We need for them to step up and give us the support on the Senate floor to pass this jobs bill, a bill which they defeated last week, without a single Republican supporting it—not one.

Well, many of them have said publicly they want to have another chance to vote on some parts of it, and I am open to the suggestion. But when I look at this bill in its entirety—the tax cuts, the help to small businesses, the closing of these tax loopholes, the help to the States—I think all of these things are an important and timely package of things we need to do across America.

The ACTING PRESIDENT pro tempore. The majority's time has expired.

Mr. DURBIN. Then I yield the floor.

Since I see no Republican seeking time in morning business, I ask unanimous consent to speak for 3 additional minutes, and to extend the same 3 minutes on the Republican side, if they care to use it.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PROTECTING THE GREAT LAKES

Mr. DURBIN. Mr. President, one of the greatest assets in my part of the world would be Lake Michigan. If you ask the people of Chicago: What do you think is the greatest thing about the city of Chicago, in a recent survey they overwhelmingly responded it is Lake Michigan because it is so beautiful, and we are fortunate to be near it and take advantage of it, using beaches and being out on boats, and mainly looking out the window at this magnificent lake, which I get a chance to do when I go up to the city.

So when the issue of the future of Lake Michigan and the question about whether it is going to be the victim of invasive species comes up, we take it seriously. I do not know how many years ago some people decided a very wise thing to do would be to import into the United States a fish called the Asian carp. So they brought in this Asian carp—and I believe it was in the State of Arkansas, though I do not want to pick on them; I think this is true—and they were going to raise these carp for some reason, and there was some flooding and the carp ended up in the Mississippi River. Now they are all over the Mississippi River and those tributaries leading to it.

Well, if we follow the Mississippi River north from Arkansas and make a right-hand turn north of St. Louis and head up the Illinois River, we are on our way up Lake Michigan. That is the route the Asian carp have been following.

Well, they are all over the Illinois River on their way up to Lake Michigan. These are fish which grow to enormous sizes and suck up everything in sight on which other fish would live. So they are an invasive species that is a danger to other species of fish, and there has been a great fear for a long time they would reach Lake Michigan and change its future as a fishery.

So I joined with Republican Congresswoman JUDY BIGGERT, and we started pouring in millions of dollars 10 years ago to stop this fish. This fish is insidious. It just grows by leaps and bounds and attacks people. Hard to imagine, isn't it? Boaters going down the Illinois River will see these fish jumping out of the river at the boaters. It is a danger. I have seen videos, and I know it is.

This is an aggressive species of fish that can destroy Lake Michigan. So Congresswoman BIGGERT and I built electronic fences that create an electrical shock at points in the river to stop the fish from moving toward Lake Michigan. We have done that twice. We now think we have to do it more. There is a real concern not only in Chicago and Illinois but around Lake Michigan, the surrounding States, about how successful this effort is going to be.

Last week, we continued to fish and look for these Asian carp, and we found one in Lake Calumet, just miles from Lake Michigan. From my point of view, that was a wake-up call. Somehow a fish had reached the other side of the electronic barrier. I do not know if it was dumped in Lake Calumet—we are doing some studies to find out—or whether it migrated there.

Regardless, what I am doing with Senator DEBBIE STABENOW of the State of Michigan is introducing legislation today calling on the Army Corps of Engineers to take a serious, comprehensive look at ways to avoid any contamination of Lake Michigan from this fish.

These studies usually take forever. Senator STABENOW and I are encouraging the corps to move on them very quickly.

Secondly, I have written to the White House and have spoken with the President's Chief of Staff about appointing a coordinator who will try to bring together all the Federal agencies that are dealing with this invasive species, the State and local efforts, and coordinating them to be more effective and focus on stopping this fish moving forward.

We are trying to also increase the amount of money being spent to build fences and more electronic barriers to stop these fish from their migration toward Lake Michigan.

This is critical for us to do for the future of Lake Michigan and the Great Lakes. It is something we have worked on for years. We will continue to work on it. We take it very seriously.

I thank Senator STABENOW for joining me in that effort, and I encourage all the Senators from the Great Lakes area, if they would consider it, to join us as cosponsors.

Madam President, I see the Senator from Missouri has taken the floor on the Republican side. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

CLEAN ENERGY

Mr. BOND. Madam President, today Members of the Senate will go to the White House to meet with President Obama on energy legislation. There is general agreement among Republicans that we need to do more to promote clean energy and reduce our dependence on foreign energy sources. We also need real reform of our oilspill protection laws and agencies.

However, today I talk about where we disagree, and that is on the Democratic proposal to impose a national energy tax related to carbon emissions.

The President will try to convince Senators and the public to impose a national energy tax. Of course, he will use fancy terms such as ''pricing carbon.'' But if it walks like a duck, quacks like a duck, then it is a duck, and this duck is an energy tax.

One form the Democratic national energy tax will take is a tax on gasoline, diesel, and jet fuel. Senator HUTCHISON and I just released a new report documenting the size of the gas tax in the Kerry-Lieberman cap-and-trade bill. My colleagues can find it on our office Web sites.

The Kerry-Lieberman cap-and-trade bill includes a $3.4 trillion gas tax—with a ''t.'' That is an average of $90 billion a year.

The number is so large because Americans consume a lot of fuel—over 200 billion gallons a year. Putting a price on the carbon in this fuel, as Democrats and President Obama want to do, will impose a massive new tax increase on the American people. You don't have to take my word for it. Anyone can add up the cost of this new gas tax. We used all publicly available government information, such as the fuel consumption data from the U.S. Energy Information Agency and carbon pricing estimates from the Environmental Protection Agency. The rest is just simple addition and multiplication—multiplication and multiplication and multiplication—combining how much fuel we will use with the carbon tax rate they propose.

The $3.4 trillion figure is based on EPA's estimates of future carbon prices. By law, as proposed by Kerry-Lieberman, the gas tax could be as high as $7.6 trillion if carbon prices hit the price ceilings in this bill.

Kerry-Lieberman's $3.4 trillion total gas tax will include a $1.9 trillion gasoline tax on families, workers, and small businesses, a $1.1 trillion diesel tax on farmers, truckers, and businesses, and a $425 billion jet fuel tax on airline passengers.

Of course, politicians do not want to admit they support a new multitrillion-dollar gas tax. They use code words such as ''pricing carbon'' or ''requiring the purchase of allowances.''

They also try to take advantage of the current disasters, such as the gulf oilspill, to impose a new gasoline tax. I say we should be punishing BP, not the American people, with a new gas tax. A gas tax will not stop the oil from leaking, it will not clean up the oil that has been spilled, and it will not do anything to restore the environment in the coastal areas where that oil will hit.

To quote an MIT economist highlighted this week:

People are kidding themselves to believe that penalizing carbon will significantly shrink oil imports or the need for offshore drilling.

EPA's recent analysis of Kerry-Lieberman confirms this, showing that U.S. fuel consumption would decrease by only ½ percent by 2050.

All we do with a new gas tax is take trillions of dollars from American families and workers with no real impact on our oil dependency. In fact, the thing that has slowed gasoline consumption in the United States has been the recession. When people are out of work and businesses are not selling and work is not being done, then consumption goes down. Is that how we want to reduce dependence on foreign oil and reduce pollution? I say not.

Sponsors say a portion of these funds is going to the highway trust fund. However, this bill sends less than 2 percent of its value to the trust fund, or only a few billion dollars per year by my calculations. Even that will end in 2040.

Sponsors also point to their refund program where they claim they will give back two-thirds of the carbon tax revenues the government will take in. How many trust the Federal Government to return tax revenue to us once they get their tax-and-spend fingers on it? They have schemes that will send that money to politically favored groups. That is what has happened in the past, and that is what will happen in the future.

While they give back two-thirds of the revenues, the government still keeps one-third of the tax. One-third of a $3.4 trillion gas tax means American families and workers, even if they got it back on a fair pro rata basis—which nobody believes they will—Americans will still face $1.1 trillion in net new taxes from the gas tax.

You know something funny must be going on when big oil actually supports this bill. You heard me right; big oil supports this bill. BP, Shell, and ConocoPhillips actually helped draft Kerry-Lieberman. Do my colleagues know why they did that? They are not worried about a tax on gasoline because they know every single penny will be shifted to the consumers with their profit margins added. It may not be a bad deal for the gas and oil companies, but it is a bad deal for all of us as consumers.

Big oil knows they can pass most of the new tax on to consumers, so they are not worried about it. But Senator HUTCHISON and I remain deeply worried about families, farmers, truckers, small businesses, and fliers who will pay this $3.4 trillion gas tax.

There is a better way. We can come together on new incentives for hybrid and electric cars, nuclear power, advanced fuels such as cellulosic ethanol and biomass, and even higher fuel efficiency standards for vehicles. But what we should not do is punish American families, farmers, workers, and businesses with a $3.4 trillion gas tax.

I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. VITTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. UDALL of New Mexico). Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST—H.R. 5569

Mr. VITTER. Mr. President, I come to the Senate floor once again to ask all of my colleagues to come together, Democrats and Republicans, as Americans to do something we should have done weeks ago: reauthorize the National Flood Insurance Program.

The National Flood Insurance Program is a vital, necessary program to provide flood insurance to our citizens around the country to help protect their homes and property. Yet it was allowed to expire on June 1. So for almost a month, we have not had a national flood insurance program.

What does that mean? That means there have been thousands of real estate closings that have been held up, unable to move forward. There are thousands of first-time and other home buyers who want to go to their closings, who are excited about everything that means, but because of politics up here, because of that getting stuck in the mud—even though substantively it should be completely noncontroversial—they cannot go to their closings, and all of this in the midst of an extremely serious recession. We should never allow this sort of lapse in the program, but when unemployment nationally is almost 10 percent, when we need every real estate closing we can get our hands on to help move the economy along and to try to get it to a better place, this is the last moment we should allow this program to expire.

As we all know, this reauthorization has been held hostage, and there is no more accurate way to describe what has been going on. It is completely noncontroversial. It is completely motherhood and apple pie. For that reason, it was taken hostage and put in the so-called extenders bill, which, overall, was very controversial and which had a lot of objectors, particularly because it balloons deficit and debt significantly—by tens of billions of dollars. I have asked several times over the last several weeks for that gamesmanship to stop, for the hostage to be released and for us to pass on a bipartisan basis the extension of the National Flood Insurance Program on its own.

That was rejected. Over those several weeks, one version of extenders after another was also rejected. There were four, maybe five different versions of that bill which came to the Senate floor, and none of them achieved the required 60 votes to move forward. So the necessary extension of the National Flood Insurance Program languished for days and then weeks and now almost a month.

With so many versions of the so-called extenders bill failing, let's just get back to doing the right thing on this vital program. Let's take this specific measure—the reauthorization of the National Flood Insurance Program—and pass it into law. The House has already done that. The Democratically controlled House has done exactly that—passed a full reauthorization through the end of the fiscal year. So let's take their bill and pass it and solve this problem and allow these closings to happen, give a little boost to the economy when we need every boost we can get. Certainly, people in the real world across America support that. As evidence of that, I ask unanimous consent to have printed in the RECORD a letter of strong support that the Senate take immediate action on H.R. 5569, which is signed by many different real estate and related business organizations that want to see those crucial real estate closings resume again.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUNE 25, 2010.

Hon. HARRY REID,
Majority Leader,
U.S. Senate, Washington, DC.
Hon. MITCH MCCONNELL,
Minority Leader
U.S. Senate, Washington, DC.

DEAR MAJORITY LEADER REID AND MINORITY LEADER MCCONNELL: We respectfully request the Senate take immediate action and approve H.R. 5569 that passed the House of Representatives yesterday and would reauthorize and extend the National Flood Insurance Program (NFIP) through September 30, 2010.

The flash floods this year that inundated Oklahoma City, ripped through the Southwest and damaged residences from Montana to Tennessee are a grim reminder of the threat posed by flooding. Furthermore, the NFIP is the only protection for Gulf Coast property owners who face the threat of flooding by oil-tainted water as a result of the massive leak in the Gulf of Mexico.

The NFIP protects 5.5 million Americans. Unfortunately, no new policies have been offered to property owners who need coverage since the program expired on May 31, 2010. This is the third time this year Congress has allowed the NFIP to expire. The timing of this latest expiration—a day before the start of the hurricane season on June 1—could not have been worse for coastal residents and impaired real estate markets.

While we agree with many members of Congress the NFIP is in need of meaningful reform, America's property owners depend on this important federal program administered with the help of the property casualty insurance industry. Since the program expired, those who need insurance can't get it. Those who have it can't increase coverage. And anyone trying to buy property that requires federal flood insurance is out of luck—creating yet another disruption in a struggling real estate market.

Every day of delay in reauthorizing the NFIP contributes to the confusion and risk

for families in the real world. The purchase of a new flood insurance policy in general carries a 30-day waiting period before it goes into effect (except for real estate transfers), so even if Congress acts today, a property owner seeking coverage could be without coverage well into July.

A long term extension is vital to provide needed certainty to homeowners and small businesses that depend on the program for flood damage protection, to protect our residential and commercial real estate markets from serious harm during a very difficult economic time, and to provide stability for the companies and agents that sell and administer the NFIP policies to millions of consumers across the country. We respectfully request that you act now and pass H.R. 5569 TODAY—homeowners and businesses across the country simply cannot wait.

Sincerely,

American Hotel and Lodging Association, American Insurance Association, American Land Title Association, American Resort Development Association, Building Owners and Managers Association, CCIM Institute, The Chamber Southwest LA, Credit Union National Association, Financial Services Roundtable, Greater New Orleans Incorporated, Independent Community Bankers of America, Independent Insurance Agents and Brokers of America, Institute of Real Estate Management, Mortgage Bankers Association, National Apartment Association, National Association of Federal Credit Unions, National Association of Home Builders, National Association of Realtors, National Multi-Housing Council, National Association of Mutual Insurance Companies, Property Casualty Insurers Association of America.

Mr. VITTER. Again, the National Flood Insurance Program has universal bipartisan support. This extension does not increase the deficit. It is not a spending and debt issue. It has only been taken hostage in these larger battles over other matters. Let's release this hostage and do the right thing.

I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 5569, which was received from the House—this bill extends the authorization of the National Flood Insurance Program until September 30—that the bill be read a third time and passed and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Is there objection?

Mr. DURBIN. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. And I will object at the end of this reservation.

We had an opportunity to pass flood insurance last week, and not a single Senator from Senator VITTER's side of the aisle would vote for the package because it provided unemployment compensation for 1.2 million Americans who are out of work, including 10,000 in the State of Louisiana. I believe for that reason the Republicans voted against it. They did not want to extend unemployment benefits. Flood insurance was in there, and they wouldn't vote for it. So after I object, I will offer a unanimous-consent request, and the Senator from Louisiana will get a chance to pass flood insurance as part of the entire package. So I object to this unanimous-consent request.

The PRESIDING OFFICER. Objection is heard.

Mr. VITTER. Mr. President, reclaiming my time, here we go again—the same old gamesmanship. Through the Chair, let me correct my distinguished colleague from Illinois. The reason that bill was objected to by all Republicans, as well as some Democrats, was not the extension of unemployment insurance. If that is his understanding, let me explain to him, through the Chair, that his understanding is completely wrong. In fact, I have stood here on the Senate floor and suggested a UC to separate that part of the bill as well and to pass it. But the objection of many Senators, including mine, is the ballooning of the deficit and the debt, which every single version of that bill did by tens of billions of dollars, the original version by approximately $180 billion.

So, Mr. President, my distinguished colleague's understanding is exactly wrong, and here we go again. My distinguished colleague and his leadership on the Democratic side have had multiple opportunities to attempt to pass a version of this bill—four or five versions; I have lost count. Each and every time, they did not get the necessary votes, including not getting certain Democratic votes.

So can we finally, after going through that exercise, after allowing the National Flood Insurance Program to lapse for almost a month now, can we finally do the right thing and pass this noncontroversial program on its own, as Speaker PELOSI and the Democratic majority in the House have done?

Mr. DURBIN. Will the Senator from Louisiana yield for a question?

Mr. VITTER. Certainly.

Mr. DURBIN. Mr. President, I want some clarification because I thought I heard the Senator say something. Is the Senator saying that if we offer a separate measure on the floor which reauthorizes the National Flood Insurance Program—and let's add in there, for example, this $8,000 home buyer credit we have talked about for more real estate closings, the extension of the home buyer credit, which was passed on the floor—and unemployment compensation as an emergency expenditure, is the Senator from Louisiana saying he would vote for that package?

Mr. VITTER. If that package is paid for. I will be happy to produce all of the pay-fors. I will be happy to produce ways to responsibly pay for that package. If that package is handled responsibly that way, absolutely yes.

Mr. DURBIN. Then we are still at loggerheads because unemployment compensation has been offered as emergency spending throughout this recession, and now I am not sure where the Senator's pay-fors would come from, but that creates a problem.

Mr. VITTER. To reclaim my time, they have been offered over and over. I will be happy to offer them. There are ways to solve that problem. But in the meantime, can we pass a necessary program, the cessation of which is holding up real estate closings all around the country and hurting an already ailing economy when we are experiencing almost 10 percent unemployment?

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I am going to make a unanimous-consent request, I notify my colleague from Louisiana. This unanimous-consent request will extend and reauthorize the National Flood Insurance Program, the reason he came to the floor. It includes the provisions that are also part of the earlier discussion about the extenders package. It is a lengthy list and many of these are traditional annual reauthorizations of a number of provisions in the Tax Code that encourage research and development, the development of biofuels, and that sort of thing.

It also includes, for the record, $33.7 billion in emergency spending to extend unemployment compensation benefits to the end of the year. It would help 10,700 residents of the State of Louisiana who currently are being cut off from unemployment compensation. It includes $16 billion, paid for, that is going to be given to the States to help them deal with the costs of Medicaid in this recession. It has the provision in there for the so-called Medicare doc fix and a number of other provisions.

I am going to give the Senator from Louisiana an opportunity to extend the National Flood Insurance Program by agreeing to the following unanimous consent:

I ask unanimous consent that the Chair lay before the Senate the Message from the House on H.R. 4213, the American Jobs and Closing Tax Loopholes Act; that the Senate move to concur with the House amendment to the Senate amendment to H.R. 4213 with the Baucus amendment No. 4386; that the motion to concur with an amendment be agreed to and the motion to reconsider be laid upon the table with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. VITTER. Mr. President, reserving my right to object and I will object in a minute, I guess this exchange is at least useful because it illustrates the gamesmanship that is continuing to go on. My distinguished colleague is giving me this opportunity. My distinguished colleague is holding a gun to my head, trying to say you have to vote to balloon the deficit, trying to say you have to vote for other irresponsible action if you simply want a necessary program for your State and the Nation, which does not cost anything in terms of increased deficit spending, to move forward. I thank my distinguished colleague for holding the

gun to my head for that wonderful opportunity, but I reject it and I think the American people reject it, so I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DURBIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ISAKSON. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

REMEMBERING SENATOR ROBERT C. BYRD

Mr. ISAKSON. Mr. President, I come to my seat today on the floor of the Senate to take a few minutes to share my thoughts on the late Senator ROBERT BYRD and his tragic death a few days ago. I come with a perspective different than those who served with him for decades because this is my first term in the Senate. I was elected in 2004.

In our caucus, which then was in the majority, we were asked to take responsibility for presiding, just as the current Presiding Officer is doing today. The day I picked was Friday mornings, not knowing we would not be here on a lot of Friday mornings except for a normal business session. But I did it on every Friday morning. For 2 years I presided over the Senate from about 10 in the morning until about 12:30 in the afternoon.

Friday morning is the day ROBERT BYRD would come to the floor of the Senate and share and reshare some of his great speeches. I was here to listen to the entire speech on the tribute to mothers on Mother's Day. I heard him, oftentimes, talk so wonderfully about his lovely wife. I heard him talk about the Roman Empire, its rise and its fall. I heard him make speeches on the rules of the Senate, the details that no one in this room could ever come close to.

But, for me, the most important contribution of the Senator from West Virginia was the fact it didn't matter how experienced you were or what your party was, if you had a question on the rules of the Senate, you could go to the seat of Senator BYRD and you could get an answer that you could put in the bank. He loved sharing his knowledge. He loved the institution of the Senate. He never saw it from a partisan standpoint, he always saw it from a traditional and an institutional standpoint.

There will be a lot of great tributes paid to Senator BYRD over the next few days and they will all be well deserved. I certainly share in the sympathy that all extend to his extended family for this tragic loss. But many in this Senate today and many who served in the years since he was first elected have benefited from the wisdom and ''gentleman-ness'' that ROBERT BYRD represented. He is a tradition in the Senate. He is a tradition in the State of West Virginia. He will be missed, but I will be forever thankful to ROBERT BYRD for what he took the time to share with me, to help me understand the ways of the Senate. He truly was a Senator's Senator and I extend my sympathy to his family and the people of West Virginia on the tragic loss of this great Senator.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

SMALL BUSINESS LENDING FUND ACT OF 2010—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the motion to proceed to H.R. 5297, which the clerk will report.

The assistant legislative clerk read as follows:

Motion to proceed to the consideration of H.R. 5297, a bill to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Ms. LANDRIEU. Mr. President, as we continue the important work of the Senate this week on a number of important bills, one of them being the small business package that is before this body now, we are always mindful, as we come to the floor with the beautiful flowers on Senator BYRD's desk, of the great loss we are all experiencing. His colleagues here and in his home State of West Virginia, the Nation and, as you know, many people around the world are mourning the death of a great Senator, a very well-known Senator, a very well-respected Senator, and a very historic figure.

So as we all do our work today, it is with heavy hearts that we work. I told my staff today walking into the building, it seems so empty and particularly quiet, and it is because of the great respect this Senator enjoyed in his life and now enjoys in his death.

But as even Senator BYRD would say if he were here, the work of the Senate, which he loved very much, needs to go on because it is the work of the people in a very special way. It is in that spirit that I come to the floor to briefly talk about a bill we are attempting to move to.

It is a major piece of legislation. It has three distinct components. It has been in shape and in the works for many months now. A part of this bill has come out of the Small Business Committee. I am extremely proud, as the chair of that committee, that the package we have contributed has been built on strong, solid bipartisan support. In fact, many of the provisions came out of our committee 17 to 0 or 17 to 1 or 18 to 0. We have had tremendous cooperation on the part of my ranking member, Senator SNOWE, who has been to the floor several times in the last couple of weeks, joining me in talking about the importance of focusing the congressional efforts and Congress's efforts on small business, on Main Street.

We have spent a lot of the last year and a half dealing with the big companies, the big companies on Wall Street, the big banks, the big insurance companies, the big health care companies. We have had to deal with it because it has been in a state of crisis where Wall Street was going to collapse, the financial structures were collapsing. We had to act quickly. The health care tragedies or stresses were clearly visible, and we had to work our way through that. But now it is time for this Congress, at this time, this summer, to focus on small business, because these are the businesses on the front line of the battle against this recession. And this is a battle. It is a battle to end this recession, to fight and win our way back to prosperity. Much of this can be accomplished if we would focus on the businesses in our neighborhoods, on Main Street, on the farm-to-market road, the small business owners driving those pickup trucks, delivering supplies and equipment all over America, in urban areas and in rural areas.

We would be very much helped if we could get our minds and our hearts on them, because they are going to be the ones that lead us out of this recession. Small firms created 65 percent of all new jobs from 1993 to 2009. It was true in the early 1990s. It was probably true if you would go back to the 1980s, probably true in the 1970s. It is true today. Job creation is not going to come 1,000 jobs at a time. It comes one at a time, two at a time, or three new jobs in small businesses all over America.

What we do here on tax policy, on strengthening the Small Business Administration, on freeing up capital for them, is going to make the difference between whether this recession comes to an end. So I am pleased about the work that has been done.

A portion of our bill has come through the Small Business Committee. A portion of the bill has come through the Finance Committee. I have to take my hat off to the Senator from Montana, MAX BAUCUS, and his ranking member, Senator GRASSLEY, former Chairman GRASSLEY, from Iowa. They have worked nonstop and overtime on a number of bills that have to do with our Tax Code. But they have set aside this special time for their committee to work on tax relief, tax extensions, tax relief for small businesses to add to this package.

So it is a portion of tax cuts and tax relief for small businesses that is so

important, to strengthen the Small Business Administration programs that we know have been effective, not just throwing money at government programs but targeting the government programs that we know work because we have studied them, and we have gotten reports from not just the government bureaucrats—and there are many good ones here—but we have been hearing from businesses: Senator, this works for me. Can you get us more of it? That is what this bill is about.

Then finally there is a piece that has come from the leadership, from the President himself, from the White House, through the Treasury Department, to say: What can we do to leverage some assets of the Federal Treasury to create a $30 billion lending pool, not for the big banks—they have gotten enough of our money and enough of our attention, as far as I am concerned—but the small banks on Main Street. There are 8,000 of them. They are the ones that need a little help, a little financing to help them, not on their bottom lines in terms of their stability because they are quite stable. I am extremely proud of our small banks around this country that did not go belly up. They are strong. They have money to lend. We want to give them some additional funding to lend.

I am proud that the Independent Bankers Association has sent us a letter, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ICBA AND 28 STATE COMMUNITY BANK ASSOCIATIONS URGE PROMPT PASSAGE OF SMALL BUSINESS LENDING FUND BILL

WASHINGTON, DC, (June 15, 2010).—The Independent Community Bankers of America (ICBA) and 28 affiliated state associations sent a letter to House Banking Committee Chairman Barney Frank (D–Mass.) and Ranking Member Spencer Bachus (R–Ala.) today urging prompt passage of the proposed Small Business Lending Fund Act of 2010 (H.R. 5297). ICBA said that the $30 billion in capital provided by the Small Business Lending Fund (SBLF) could help community banks provide as much as $300 billion in additional small business lending.

''On behalf of ICBA's nearly 5,000 members and our state partner community banking associations, we strongly support the proposed Small Business Lending Fund and urge prompt passage of this important legislation,'' said Camden R. Fine, ICBA president and CEO. ''The nation's 8,000 community banks are well-positioned because of their established relationships with small businesses in their communities to use the fund to get credit flowing.''

Under H.R. 5297, interested banks with less than $1 billion in assets could receive capital investments up to 5 percent of their risk-weighted assets, and those with between $1 billion and $10 billion in assets could receive up to 3 percent. The SBLF has important incentives to encourage greater small business lending by reducing the dividend rate community banks pay on the capital as they increase their lending.

''ICBA firmly supports the central purpose of the program to spur further lending to small businesses by means of community banks,'' said Jim MacPhee, ICBA Chairman and CEO of Kalamazoo County State Bank, Schoolcraft, Mich. ''We applaud the new program's focus on getting funds to Main Street small businesses using Main Street community banks. We urge all members of Congress to vote for H.R. 5297.''

Ms. LANDRIEU. The Independent Community Bankers Association has sent to Senator SNOWE and me a strong recommendation. They say: On behalf of 5,000 members and our State partner community banking associations, we strongly support the proposed Small Business Lending Fund, and urge prompt passage of this important legislation. The nation's 8,000 community bankers are well positioned because of their established relationships with small businesses in their communities to use the funds to get credit flowing.

Under the proposal that is being brought to the floor today, banks with less than $1 billion in assets could receive capital investments up to 5 percent of their risk-weighted assets, and those with between $1 billion and $10 billion in assets could receive up to 3 percent.

We know community banks are the ones that small businesses do go to, some with more success than others, and that is a speech for another day. But I do know there are a number of bankers who say: Senator LANDRIEU, Senator SNOWE, we want to lend to our small businesses, and if you can help us with a few things, we could do a better job.

In addition, we also know that small businesses use their credit cards for capital. We also know our small businesses go to family members. They dig into their own savings to find the money needed to initiate or support their business. We also know they go to their uncles and aunts. Financing through family members has been a traditional way that small business owners use, and credit unions.

So everything we can do now—we cannot have a relief to the great uncle and aunt bill. That is a little bit out of our reach. But we can help our small banks, our small business agencies. We can look hard on credit card companies and their practices and make sure they are doing right by businesses. We are trying to do all of that one step at a time.

Let me take a minute or two to explain a few pieces of this bill. This is one of the most important components. This chart is startling. Two of the most important programs that SBA operates are the 7(a) and 504 loan programs. These are the loan programs that all of the Federal Government—these are the programs that focus most directly on small business loans in America. They allow a 90-percent guarantee and allow the waiver of fees.

We did this, when the recession started, so a small business could go into a bank and say: I have got a great idea. I want to expand; even though my neighborhood is a little bit in the doldrums, and even though my product is not in great demand today, I think it will be in the future. Can I have a loan? And the bank officer says: Well, we do not quite have money for you. But let me look in the 7(a) program. They can get a 90-percent loan backed up by the Federal Government, and these loans can be made without fees.

This is how low we were in 2008. We were only down to $200 million in loans back in 2008. You can see through the recession how low this was. When we acted, we acted back here in 2009 and started doing some increased guarantees, reducing the fees. It worked. We spiked the number of loans up to almost $1.2 billion.

But as you can see, Congress's actions have a direct effect on this lending to small business. Look here. Now we are down below where we were 2 years ago. This bill will move this number back up, and this bill will help this number stay up. This represents thousands of loans to small businesses, without which they cannot create the jobs that we need and the country needs to get us out of the recession. This is a very important component of our bill. I am very proud of that component.

One more chart we will show. This is a startling chart. I have used this several times. I hope people understand the potential for growth. There is real potential here.

Right now in America, 1 percent of small businesses export. Think about that. We are only 4 percent of the world's population, so 96 percent of everybody else lives somewhere else. The market is very big outside of America, although we are a very important market. So we can help our small businesses learn to be better exporters. With the Internet, now it becomes so possible for them to export products, with first day, short delivery times, all on-time delivery from airplanes, trains, trucks that can deliver products everywhere. Plus, there are so many ideas now with services. The small business here that has a great idea on the Internet, it becomes a great idea in Vietnam or in Korea or a country in Africa. They can sell those products. So this bill does a great deal, with Senator SNOWE's help, where she did pioneering work in this area to help us give technical assistance to more small businesses and help them become experts on exporting so they can keep the money, the profits, and the jobs right here at home.

My colleague has been good about waiting, but I wanted to share a few of the aspects of this important bill. We are going to be voting I hope today at about 2 o'clock or so. We hope to get the 60 votes necessary to move to this package.

As a manager of this package, I can say Senator BAUCUS as well, we are open to amendments people might want to have to perfect it. But we believe this is a very good, solid package to bring up. It is time that we focus on the small businesses of America. They deserve our best efforts between now

and the end of the year or as long as it takes. They have not gotten the attention they deserve. So if we can get 60 votes, we may not be able to get all our work done this week, but we believe in the next couple of weeks we can get the work done on this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida is recognized.

GULF OILSPILL

Mr. LEMIEUX. Mr. President, yesterday I had the opportunity to be in Pensacola, FL, to look at the impact the oilspill is having on my home State of Florida. I went out in the morning and walked on the beach and saw, unfortunately, the oil that has spewed across our beautiful beach in Pensacola, one of the most beautiful beaches in the world. Not only did I see the scattering of droplets of oil across the beach first thing in the morning, I also saw what I will call not just tar balls but tar rocks—rocks the size of grapefruit that had emulsified, almost petrified, and found their way to the shore.

Later in the day, I also took another trip to the beach to the place where we get naturally occurring tidal pools just a few feet from where the ocean meets the coastline. In those pools, I could see oil that had seeped into the sand. Now we are to the point where the oil is seeping into the sand faster than it can be cleaned up. The fear is, as the sand washes over that oil, it will be buried and we will continue to discover it for months and perhaps years on end. What effect it will have on the beaches and our ecosystem is unknown.

This spill has been going on for 71 days. Throughout this time, I have been calling upon greater Federal response to this tragedy in the gulf—most importantly, the need to have more skimmers off of our shoreline. Amazingly, we have not deployed the full panoply of assets we have in this country to protect our beaches, to protect our coastal waterways, to protect our estuaries. One would think every skimmer in the United States would be in the Gulf of Mexico. One would think every foreign skimmer that has offered assistance would be deployed off our shores. But one would be incorrect in thinking that because it is not the case.

When I met with the President 2 weeks ago today in Pensacola, I urged him to bring more skimmers to the gulf coast. At that time, we had about 32 skimmers off the coast of Florida. That number fell to 24 shortly thereafter. It is now, according to the State of Florida, up to 89, according to the incident report today. That is an improvement. The Feds say there are 130. The State number and the Fed number have never matched, so somewhere between 89 and 130 skimmers are off the coast of Florida.

We believe there are about 400 skimmers in the Gulf of Mexico alone. That number may sound like a lot, but when one thinks of an area going all the way from Louisiana to Panama City, FL, we look out on the beach, and we don't see a single one.

How many skimmers are available to be deployed? We found out last week there are skimmers remaining. As of June 21, in the United States, there were 2,000 skimmers remaining. It sounds as if that is in addition to the 400 in the gulf right now. From Texas, district 8, through the Florida, Georgia, South Carolina district, which is district 7, there are 850 skimmers in whole or in part not being deployed. That makes absolutely no sense.

I have been calling for weeks now for this government, this administration to sign an Executive order releasing all skimmers in the United States to come to the Gulf of Mexico to clean up the oilspill.

When I talked about this issue with the President, I said to him: We need to get all these skimmers now. If there are 2,000, they need to be in the gulf. They need to be steaming toward the gulf now. There should be an armada of skimmers off the beaches of Florida, Mississippi, Alabama, and Louisiana.

The response I got was: Some of these skimmers have to stay in place in case there is an oilspill.

That is like saying: We can't send a firetruck to your house because there may be a fire burning someplace else. That is not much solace to you if your house is burning down.

There is some good news. We have found out that as of yesterday, the Department of Homeland Security and the Coast Guard, along with the Environmental Protection Agency, have issued an emergency order. The order is signed by Admiral Papp from the Coast Guard and Lisa Jackson, Administrator of EPA. It is a temporary suspension of certain oilspill response time requirements to support the Deepwater Horizon oilspill, the urgently needed immediate relocation of nationwide oilspill response resources to the Gulf of Mexico. It also calls upon the Navy, with which I met earlier last week, to release assets it has.

There are legal restrictions that require these skimmers to be in certain places around the country if there is a certain amount of traffic—for example, commercial traffic, the ports, or whatever. We need to keep skimmers in place. This order, which we have been calling on for weeks, releases those skimmers. It says it is done because there is an urgent need. It is not so urgent when we do it on day 70. It is welcomed, but it wasn't done urgently. It says, on page 9 of this order, that this was done in response to a memorandum Admiral Watson of the Coast Guard did on June 16 saying there was an urgent need to reallocate skimmers. I am glad to see that because that is the day after I met with the President in Pensacola. I am glad the President got the word out to the Coast Guard and got them to start working on this order. We got it done. So we hope we will now see skimmers from around the country making their way to the gulf.

I have a list today of these 2,000 skimmers and where they are located. I am going to come to the floor every day we are here and track these skimmers to make sure they are getting where they need to go. It is only through efforts by myself and others in the Senate who have called this out, who have said: Where are these skimmers, that we have gotten the sense of urgency to get them there, albeit not so urgently when it has taken 70 days. That is the issue of the domestic skimmers. Help is on the way. The rule has been signed. We are appreciative of that. We will see if those skimmers make it there anytime soon. We need them there because the oil is washing up on the shores. It is not only oil washing up, it is failure. It is failure because these skimmers were not in place earlier.

I wish to talk about a second topic, which is international assistance. I came to the floor last week with a picture of this vessel, the Swan. It was offered on May 6 to the United States from a Dutch company, Dockwise. It had the capacity of soaking up 20,000 tons of oil a day, nearly 6 million gallons of oil a day. The Federal Government never got back to this Dutch company. Instead, an American ship was used. We are glad to see that. We want American ships used. But that ship only had one-twentieth the capability of this ship. My response is, use all of them. Use every one we can. Our country in our goodness is the first to respond when there is a disaster someplace else. Whether it is a typhoon, an earthquake, America, through the goodness of the hearts of our people, goes forward and gives help. When other countries are offering us assistance, even when we have to pay for it, we should be taking it. This ship never got used. How much oil would have been sucked up by the Swan if it was in the gulf doing its job? How much oil would have been off the beaches of Florida, Alabama, Mississippi, and Louisiana if this ship was doing its job? This is an emblem of an opportunity missed. Now this ship is no longer available.

There were something like 56 offers of assistance from foreign countries and associations, and only 6 were accepted by the government. They tell us the Jones Act—a law that prohibits foreign flag ships—is not the reason we are not getting these ships in. They tell us the Jones Act only applies to 3 miles in, coastal waterways. Therefore, it is no prohibition to bringing these ships in. One, that is not what these folks think because they didn't get their ship in, and two, I don't care what the reason is, whether it is the Jones Act or some other law, these ships should be here. This is not a Republican issue or a Democratic issue; this is an issue of competence. These ships should be there.

Let me show you the next ship we have a chance at, and hopefully we won't mess this up. The Swan was a

very big ship. This ship is aptly named ''A Whale.'' It is the world's largest skimmer, if reports are correct. It is making its way from Virginia to the Gulf of Mexico. The skimming capacity of this ship is at least 250 times that of the modified fishing boats currently attempting to skim the gulf. This one ship can skim as much as 250 of the skimmers that are in the gulf now in a single day. The vessel's capacity is sufficient to draw in as much as 500,000 barrels of oil. The Swan could do 20,000 barrels. This is 500,000 barrels of oil per 8- to 10-hour cycle. This is the mother of all skimmers. It is like the size of an aircraft carrier. We do not know yet whether this ship is going to be allowed in the gulf to skim up oil. It is beyond belief, it is beyond comprehension that we would not use this ship and ships like it to get the job done.

I will be doing everything I can to make sure A Whale or any other ship of this size can be in the Gulf of Mexico to help us. We want the domestic assets. We want the small skimmers we have now. The ones coming from the Navy can fit on the back of a truck or fit in a plane or on a railcar. They are small. We are happy to have them, but they pale in comparison to the size of A Whale, reportedly the world's largest skimmer. I ask the President, why aren't we letting this ship in the gulf to skim up the oil? It is beyond belief. It is beyond comprehension.

I will continue to come to the Chamber every day we are here to talk about this issue, about foreign ships that can help, about domestic ships being deployed, until we stop the oil from spilling on the bottom of the gulf, until we clean up all the oil that is in the gulf right now. It is impacting the lives of Floridians. When I was in Pensacola yesterday and talked to everyday Floridians, I could see the anguish in their eyes. I could see the stress and hear it in their voices. People move to Florida because they love the water. Ninety percent of Floridians live within 10 miles of the water. They have more recreational boaters than any State in the Union, more coastline than any State in the continental United States. It is part of our way of life. Every resource available should be used to keep this oil from coming ashore.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. KAUFMAN. Mr. President, I ask unanimous consent to speak as in morning business.

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

(The remarks of Mr. KAUFMAN are printed in today's RECORD under ''Morning Business.'')

IN PRAISE OF EILEEN HARRINGTON, LOIS GREISMAN, ALLEN HILE, STEPHEN WARREN, CAROLYN SHANOFF, AND LAWRENCE DEMILLE-WAGMAN

Mr. KAUFMAN. Mr. President, I wish to talk about some other great Federal employees. Many of the great achievements I have hailed from this desk concern grand challenges relating to our national security, domestic tranquility, or our economic recovery. Today, I wish to recognize a team of highly skilled, highly motivated Federal employees whose achievement has positively affected the daily lives of average Americans.

In 2003, six outstanding employees of the Federal Trade Commission worked together to implement the National Do Not Call Registry. Americans used to be plagued—I can remember it always seemed to happen around dinnertime—by telemarketer solicitations, which always seemed to come just when you least wanted them. The six men and women I am honoring today brought relief to families across the country by implementing the Do Not Call Registry. Led by Eileen Harrington, the team consisted of Lois Greisman, Allen Hile, Stephen Warren, Carolyn Shanoff, and Lawrence DeMille-Wagman. They all brought to the table a strong background in a number of fields, including law, marketing, and business.

The FTC's Do Not Call Registry launched 7 years ago this week quickly became a hit. Within the first 4 days, 10 million Americans registered their phone numbers. Just a year after it launched, a poll found—this is incredible—91 percent of adults had heard of the registry and—can you believe it—over half had already signed up. When Eileen and her team won the 2004 Service to America medal for citizen services, the registry had nearly 60 million numbers. That was in 2004. Today, that has risen to over 150 million.

To turn a good idea into a great program, the team spent several months designing and implementing the Do Not Call Registry as part of the FTC's rulemaking process. It required the participation of many at the Consumer Protection Bureau, the Economic Bureau, and the General Counsel's Office. Information system experts and legal minds worked closely together with senior executives, and they were joined by financial analysts and congressional relations staff. Once the policy had been crafted, there was a period of public comment, which saw over 64,000 suggestions on how to improve the registry, many of which were adopted in the final program.

In the 7 years since the Do Not Call Registry was launched, it has become one of the most successful government programs in terms of the number of Americans it has affected positively in such an incredibly short period of time.

I am also proud to share with my colleagues that all of the members of the FTC's ''do not call'' team are still serving in the Federal Government.

Eileen Harrington remained at the FTC for a few years and in 2009 was appointed as the Chief Operating Officer for the Small Business Administration.

Stephen Warren served as Chief Information Officer at the FTC until 2007, when he moved over to the Department of Veterans Affairs as Principal Deputy Assistant Secretary for Information Technology.

Lois Greisman leads the FTC's Division of Marketing Practices within the Consumer Protection Bureau, and her responsibilities include enforcing the rules against telemarketing fraud and online investment schemes.

Also with the FTC's Bureau of Consumer Protection is Carolyn Shanoff, who today serves as the Associate Director for Consumer and Business Education. In this role, she has been instrumental in the fight against identity theft.

Allen Hile and Lawrence DeMille-Wagman are also still at the FTC. Allen serves as Assistant Director, and Lawrence works as an attorney.

We are all very fortunate that accomplished men and women such as these choose to stay in government and continue working on behalf of the American people. I hope my colleagues will join me in recognizing the great work of the FTC ''do not call'' team and thanking them on behalf of all Americans for their important work. They are all truly great Federal employees.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, I thank the Presiding Officer, and I thank the Senator from Delaware for those comments in his weekly update on Federal employees and the great job they are doing. In the Health, Education, Labor, and Pensions Committee, we know quite a few of them who are doing outstanding work, even something that would surprise America; that is, cooperation between agencies that is outstanding. So I thank the Senator for his efforts.

RECESS

Mr. ENZI. Mr. President, as under the previous order, I ask unanimous consent that the Senate stand in recess.

There being no objection, the Senate, at 12:22 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. BEGICH).

SMALL BUSINESS LENDING FUND ACT OF 2010—MOTION TO PROCEED—Resumed

CLOTURE MOTION

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant editor of the Daily Digest read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 435, H.R. 5297, the Small Business Lending Fund Act of 2010.

Harry Reid, Debbie Stabenow, Dianne Feinstein, Mark Begich, Jeff Merkley, Bernard Sanders, Carl Levin, Edward E. Kaufman, Mark L. Pryor, Richard J.

Durbin, Frank R. Lautenberg, Jeanne Shaheen, Daniel K. Inouye, Barbara Boxer, Roland W. Burris, Sherrod Brown, Mary L. Landrieu.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call is waived.

The question is, Is it the sense of the Senate that debate on the motion to proceed to H.R. 5297, the Small Business Lending Fund Act of 2010, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 66, nays 33, as follows:

[Rollcall Vote No. 202 Leg.]

YEAS—66

Akaka	Franken	Mikulski
Baucus	Gillibrand	Murray
Bayh	Grassley	Nelson (NE)
Begich	Hagan	Nelson (FL)
Bennet	Harkin	Pryor
Bingaman	Inouye	Reed
Bond	Johnson	Reid
Boxer	Kaufman	Rockefeller
Brown (MA)	Kerry	Sanders
Brown (OH)	Klobuchar	Schumer
Burris	Kohl	Shaheen
Cantwell	Landrieu	Snowe
Cardin	Lautenberg	Specter
Carper	Leahy	Stabenow
Casey	LeMieux	Tester
Collins	Levin	Udall (CO)
Conrad	Lieberman	Udall (NM)
Dodd	Lincoln	Voinovich
Dorgan	Lugar	Warner
Durbin	McCaskill	Webb
Feingold	Menendez	Whitehouse
Feinstein	Merkley	Wyden

NAYS—33

Alexander	Crapo	Kyl
Barrasso	DeMint	McCain
Bennett	Ensign	McConnell
Brownback	Enzi	Murkowski
Bunning	Graham	Risch
Burr	Gregg	Roberts
Chambliss	Hatch	Sessions
Coburn	Hutchison	Shelby
Cochran	Inhofe	Thune
Corker	Isakson	Vitter
Cornyn	Johanns	Wicker

The PRESIDING OFFICER. On this vote, the yeas are 66, the nays are 33. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

All time is yielded back. The clerk will report the bill.

The legislative clerk read as follows:

A bill (H.R. 5297) to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant editor of the Daily Digest proceeded to call the roll.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. MIKULSKI. Mr. President, I ask unanimous consent to speak as in morning business for no more than 5 minutes on the occasion of the passing of Senator BYRD.

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

(The remarks of Ms. MIKULSKI are printed in today's RECORD under ''Morning Business.'')

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURRIS). Without objection, it is so ordered.

Mr. REID. Mr. President, it is my understanding the matter before the Senate is the bill that was just announced a few minutes ago; is that correct, the small business jobs bill?

The PRESIDING OFFICER. H.R. 5297 is the pending bill.

AMENDMENT NO. 4402

(Purpose: In the nature of a substitute)

Mr. REID. On behalf of Senators Baucus and Landrieu, I call up their substitute amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. BAUCUS and Ms. LANDRIEU, proposes an amendment numbered 4402.

Mr. REID. I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4403 TO AMENDMENT NO. 4402

(Purpose: In the nature of a substitute.)

Mr. REID. I have a first-degree amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4403 to amendment No. 4402.

Mr. REID. I ask unanimous consent that reading of the amendment be dispensed with.

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

The text of the amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4404 TO AMENDMENT NO. 4403

Mr. REID. I have a second-degree amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4404 to amendment No. 4403.

Mr. REID. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 236, line 24:

Strike ''one'' and insert ''five''.

AMENDMENT NO. 4405

Mr. REID. I have an amendment to the bill at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4405 to the language proposed to be stricken by amendment No. 4402.

Mr. REID. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end, insert the following:

''The provisions of this Act shall become effective three days after enactment.''

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4406 TO AMENDMENT NO. 4405

Mr. REID. I have a second-degree amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4406 to amendment No. 4405.

Mr. REID. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In the amendment, strike ''three days'' and insert ''10 days''.

MOTION TO COMMIT WITH AMENDMENT NO. 4407

(Purpose: In the nature of a substitute)

Mr. REID. I have a motion to commit with instructions at the desk.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID] moves to commit H.R. 5297 to the Committee on Finance with instructions to report back forthwith with amendment No. 4407.

Mr. REID. I ask unanimous consent that reading of the amendment be dispensed with.

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

The text of the amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4408 TO AMENDMENT NO. 4407

Mr. REID. I have an amendment to the instructions at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4408 to the instructions of amendment No. 4407.

Mr. REID. I ask that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the amendment, insert the following:

The provisions of this Act shall become effective two days after enactment.

Mr. REID. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4409 TO AMENDMENT NO. 4408

Mr. REID. I have a second-degree amendment to the instructions at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4409 to amendment No. 4408.

The amendment is as follows:

In the amendment, strike ''two days'' and insert ''immediately''.

Mr. REID. Mr. President, in jest, I said to my Republican friends that I had kind of practiced this because we hadn't filled up the tree much at all. I say that seriously. We have had an open process here. You can compare it to what went on in the previous Congress, and it has been very open. I hope we can get into an amendment process. We will go back and forth. We will try to have some amendments that will strengthen this bill. This is a bipartisan bill, as indicated by the vote that took place to get us to this. The Republicans were given this amendment last night. They have had ample opportunity to look it over. If they have things they want to do to try to improve it, we on this side of the aisle want to approach this on a bipartisan basis. This is a jobs bill to create jobs where most jobs are created, by small businesses, as 85 percent of all jobs are created by small business. That is why we are here focused on this today. I hope this doesn't become a partisan exercise. It should not. The Small Business Committee has operated for a long time on a bipartisan basis. SNOWE was chairman, LANDRIEU was the ranking member. Now it is just the opposite. Senator BAUCUS and Senator GRASSLEY have always worked on a bipartisan basis. I hope we can move forward on this matter.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, Winston Churchill once said:

A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.

The great recession has been a difficulty, to say the least.

Today we are looking for the opportunity.

One opportunity—and our first priority—is to create new jobs.

This is no easy task. Over the course of the great recession, more than 8 million jobs have been lost. But we must not shy away from this opportunity.

The first step Congress took to create jobs was to pass the Recovery Act in February of 2009. In their latest report on the Recovery Act, the nonpartisan Congressional Budget Office reports that the Recovery Act has added 1.2 to 2.8 million people to America's payrolls.

And in March, Congress passed the HIRE Act. The HIRE Act includes a payroll tax exemption for new hires. That act will help to bolster job creation in the coming months.

These actions are working. In April, we learned that the economy added 290,000 jobs. And while we added fewer jobs than expected last month, May marked the fifth consecutive month of job growth. Since the beginning of 2010, the American economy has created more than half a million jobs.

We are also beginning to see economic growth. Just a year ago, in the first quarter of 2009, the economy was shrinking at a rate of 6.4 percent. In the first quarter of this year, however, the economy grew at a rate of 3.2 percent.

This was the third consecutive quarter of growth after four straight quarters of decline.

In just 1 year, the economy went from freefall to sustained growth.

These signs are encouraging. But we still have work to do.

Mr. President, 15 million Americans remain unemployed. The national unemployment rate is still near 10 percent. The Congressional Budget Office does not expect unemployment to reach its ''natural state'' of 5 percent until 2016.

Plainly, we must act. We must work to create jobs.

In America, the private sector is the backbone of innovation and job creation. And within the private sector, small businesses are the principal engine of job creation.

Over the past 15 years, small businesses have generated two-thirds of all new jobs. That is about 12 million new jobs.

But the great recession hit small business especially hard. Over the course of the recession, small firms have accounted for 64 percent of net job losses.

We need to focus on small business, as we seek to create jobs. When we help small businesses, we help to get Americans back to work.

The first way that we can help small business is by promoting access to capital.

Today, only half of small businesses seeking a loan are able to get the credit that they need, and nearly a quarter receive no credit at all.

Compare this to 2005, when 90 percent of small employers had their credit needs met, and only 8 percent were unable to receive credit at all.

It is clear that small businesses are facing major obstacles to getting capital.

That is why our small business bill includes a provision to completely eliminate the tax on the sale of certain small business stock purchased this year. This proposal would provide a powerful incentive to invest in small, entrepreneurial firms, right now.

We have also included a provision that would allow small businesses to carry back for 5 years their unused general business tax credits from this year. That is quite a bit. Current law is 1 year.

And we have included another provision that would allow certain small businesses to use these general business credits against the alternative minimum tax. These provisions would free up business capital for expansion and job growth.

And another provision would temporarily shorten the holding period of assets after a C corporation converts to an S corporation. This provision would allow small businesses to increase liquidity by selling assets that would otherwise be subject to an additional layer of tax.

We can also help small businesses by stimulating investment. Small businesses need to make capital investments to improve and expand.

One way to boost investment in equipment is by increasing the amount and types of property that small businesses can write off immediately, rather than expense over time. In this weak economy, the ability to deduct the costs of assets in the year that they are incurred provides an immediate benefit for small businesses.

Our bill also includes an extension of bonus depreciation. This provision would help small businesses that purchase equipment to write off those purchases more quickly. The proposal would also help the businesses that sell the equipment. Bonus depreciation sparks investment, increases cash flows, and creates jobs.

Our small business bill also includes two provisions to promote fairness and protect small businesses from costs that could slow business growth and development.

First, the act modifies the penalties for small businesses that unknowingly

invest in something that the IRS considers to be a tax shelter. Businesses can be subject to penalties of up to $300,000 for investing in a tax shelter. A penalty that large can severely jeopardize the success of a small business. Our bill would limit the penalty in relation to size of the investment.

Our bill also promotes fairness by allowing business owners to deduct against self-employment tax the cost of health insurance in 2010 for themselves and their family members. Current law does not permit the self-employed to deduct the cost of health insurance for themselves and their family members in calculating self-employment tax. But health care for employees receiving coverage through an employer is generally tax free. So our bill would put the self-employed on a more equal footing.

Our small business bill includes provisions aimed at promoting entrepreneurship. According to a recent report, from 1980 to 2005, nearly all net job creation occurred in firms less than 5 years old. In fact, without startups, net job creation would have been negative almost every year for the past three decades.

As our economy emerges from the great recession, we need to ensure that American entrepreneurs have the resources, the financing, and the opportunities they need to create jobs and realize their dreams. Our bill would help promote entrepreneurship by temporarily increasing the amount of startup costs that could be deducted. This would free capital that could be used to invest in other aspects of business.

Our bill would devote more than $5 million to the U.S. Trade Representative to expand opportunities for U.S. small businesses in foreign markets. This would help American goods and services to reach new customers around the world, this would create jobs right here at home, and this would help the USTR to enforce our trade agreements to ensure American startups can compete on a level playing field.

Our bill is all paid for. No deficit spending here—all paid for. Our bill would reduce the tax gap, promote retirement preparation, and close tax loopholes.

Today, we must find opportunity in a difficulty. The great recession has been a major difficulty for American workers and small businesses, but we can seize a major opportunity by helping small businesses and getting Americans back to work.

I urge my colleagues to support this important small business jobs bill.

NATIONAL FLOOD INSURANCE PROGRAM

Mrs. HUTCHISON. Mr. President, I would like to speak in morning business about the National Flood Insurance Program and talk about the importance of extending the National Flood Insurance Program as a tropical storm—that could be a hurricane—is growing in the Gulf of Mexico and moving toward my home State of Texas.

We all know the Gulf of Mexico has had a lot of trauma, and the people who live all along the gulf have suffered quite enough. Now we have a situation in which tropical storm Alex is gaining strength off the coast of south Texas. Winds are gusting upwards of 70 miles per hour, and it could reach hurricane strength at any point. Texas communities from Padre Island to Matagorda Bay are under a hurricane warning. The National Weather Service is calling for up to 20 inches of rain in some parts of our State and is warning communities to brace for life-threatening flash floods and mud slides.

However, at this very time, thousands of Texas homeowners are left vulnerable to the damage this storm could wreak on their homes and property. Why? The National Flood Insurance Program lapsed at the end of May, which means homeowners are currently unable to take out new policies. Allowing a lapse in federally backed flood insurance is unacceptable at any time, but the failure to extend it at the outset of hurricane season is unthinkable.

The very purpose of the National Flood Insurance Program is to make sure coastal residents and other flood-prone communities can purchase reliable, federally backed flood insurance. The program allows homeowners to purchase flood insurance policies in areas where private insurance is hard—and in some cases impossible—to get.

Since residents in some areas are required to have it in order to close on home purchases, many gulf coast families cannot close on mortgage contracts. My Houston office received 200 calls yesterday from people who were in the process of closing on homes which required flood insurance protection to be shown before they could close, and they cannot get the flood insurance because it is not available out of the private sector and this program has lapsed. Today, it is the Federal Government that is standing in the way of these people being able to close on a contract.

Because of previous devastating storms, including Hurricanes Katrina and Rita, the National Flood Insurance Program has incurred billions of dollars in claims and is in an economically tenuous position. I have supported legislation to revise and update this program. It needs to meet the demands of today while still providing access to flood insurance coverage to Americans living in floodplains—Americans who are trying to do the responsible thing. They are trying to purchase insurance. It is not available in the private market, and we need to have that kind of opportunity for people to be able to purchase their own insurance for them to be able to close on homes, of course, and to be able to protect themselves from damages. These are people who do not want to have to file claims against the Federal Government. They want to be able to purchase their own insurance and know they have it.

In 2008, I, along with an overwhelming majority of my colleagues in the Senate, supported the Flood Insurance Reform and Modernization Act of 2007. Unfortunately, despite big support in the Senate and in the House, our two Chambers failed to resolve our differences. Therefore, it has operated in limbo ever since, surviving only in short-term extensions.

Now there is a bill to extend the National Flood Insurance Program through September 30. It has been approved in the House and was sent to the Senate. It is currently being held up.

My colleague from Louisiana, Senator VITTER, offered a unanimous consent request this morning to bring up this House bill, pass it in the Senate, and send it to the President. It would have extended the flood insurance program until September 30 so that people could buy insurance, know they would be covered, be able to close on their homes, and be able to get coverage while we continue to hammer out the differences in a long-term extension of the program.

Unfortunately, there was an objection raised to the House bill going through the Senate. It is so important that we do this. I asked the reason for the objection. I asked one of my colleagues on the other side: Why was this objected to?

The answer was: Is it more important than the tax extenders bill?

I cannot say it is more important because we do need to extend unemployment insurance, but they are not mutually exclusive. We can do one or the other; we can do both. There is no objection to the substance of the bill. No one on the other side of the aisle objects to the bill. They just want to pass the extenders package. We want to pass the extenders package too. We want it to be paid for.

We can do this. It is so important and so timely. It is timely because people are not able to close on contracts. Mortgage companies are saying: Our hands are tied. You have to show that you have this flood insurance to close, and there is no flood insurance available on the private market. The National Flood Insurance Program has not been extended.

This is one that Congress can resolve. We are going to be here for a few more days this week. We can do this. I implore my colleagues: Please, let's unanimously consent to letting this bill go through. The House has passed it unanimously.

A hurricane is headed right now for the Gulf of Mexico. It is time to allow our responsible citizens who want to purchase flood insurance to be able to do so in a responsible way.

We certainly need to modernize the National Flood Insurance Program, and I will work tirelessly to make that happen. But with a storm approaching right now, we need to extend this program until the end of the hurricane season. We do not want people to have

to flood into the government after the fact when they are desperate, not knowing if they are going to get coverage. We do not want them to have to come to the Federal Government and ask for claims to be processed. Let them cover themselves so they can deal with the issue, knowing exactly what their coverage is. That is not too much to ask for the residents of the gulf coast.

I hope the majority leader and the majority will work with us to begin to address this issue in a timely way. The House has passed this bill unanimously. I urge my colleagues in the next 2 days to please allow the National Flood Insurance Program to be extended until September 30, a bill that has unanimously passed the House and surely should be able to go through the Senate since there is no substantive objection to this bill.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Ms. STABENOW. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. STABENOW. Mr. President, when I think of Senator BYRD and all of our great memories of him, it reminds me of how important it was to him to understand what people are going through in their lives—in this economy, certainly. I know if he were here, he would be on the floor, speaking about the importance of helping people who have lost their jobs—people who, through no fault of their own, have gotten caught in this economic tsunami, who find themselves maybe one step away from losing their house after they lost their job, probably lost their health insurance. Maybe they are in the midst of foreclosure right now because they lost their job and cannot pay their house payment.

These are families who are counting on us to understand, as Senator BYRD always did, what it is like to be a middle-class family, a working family, where the breadwinner has lost their job or the breadwinner can no longer bring home the bread—the food, gas for the car, pay the electric bill—because they have lost a job.

We know there are five people today looking for every one job that is available. That used to be worse. It used to be six people looking for every one job. We are beginning to see things turn. When President Obama took office, as we know, we were losing about 750,000 jobs every month. By focusing on the recovery, by investing in people, by investing in making things in this country, by focusing on job training as well as helping people without jobs, we have been able to turn that around. There were zero jobs lost at the end of the year and now we are gaining jobs.

But even though it is turning around, we are still in a situation where we have five people, five Americans who are looking for every one available job. The e-mails and the phone calls I get truly are heartbreaking. They are from people who have worked all their lives. These are not people who, as some have said, are lazy. These are people who have worked hard all their lives and they have done nothing but play by the rules—take care of their families, followed the law, put a little bit aside to send their kids to college. They want to have a good American life, what they have worked hard for as their American dream.

Unfortunately, because of a lot of factors in the global economy—too much, in the last decade, of folks paying attention to cheap prices and not American jobs and losing jobs overseas, not enforcing our trade laws or not focusing on making things here in this country—we have a situation where people have lost their jobs. Then, when you add to that what happened on Wall Street—where people lost savings, pensions, 401(k)s, and maybe their job; when credit dried up and small businesses could not get loans or manufacturers couldn't get the help they needed—people found themselves in a disastrous situation through no fault of their own.

They did not create the Wall Street crisis. They were not the ones who decided whether to enforce our trade laws. They weren't the ones to decide whether we as a country were going to invest in American manufacturing. But they are taking the brunt of it.

We have talked for 8 weeks now, 8 weeks to pass a bill that is a jobs bill, to invest in jobs in the economy and to continue help for people who are out of work through no fault of their own. Boy, they hope it is temporary. They surely hope it is temporary and we hope it is temporary.

Despite 8 weeks and a tremendous amount of negotiation, we have not been able to get the votes to stop a filibuster. We have come up short every time. I am hopeful this week we will be able to get beyond that. The people in Michigan are desperately hopeful. They are also desperate. They are also angry that we have not been able to get beyond this partisan wrangling to be able to actually help them keep a roof over their head and keep food on the table for their families. We will have another opportunity, I hope this week, to change that. It is absolutely critical that we do.

There are a lot of people who are not down in the weeds about what is going on legislatively; are not following closely what is happening here—but they know this: They know they need help. They want to know who is on their side and who is willing to understand and come forward and appreciate what families across this country are going through. I hope this week we are going to be able to say to them that finally this Senate gets what is happening to families and we are going to extend the temporary assistance that has been needed for so many families through unemployment insurance.

Mr. ENSIGN. Mr. President, I rise to talk about an amendment Senator KERRY and I will be offering as an amendment to the small business jobs bill. This amendment is to correct something we do not want the IRS enforcing right now. Senator KERRY and I have 72 Members who have cosponsored our bill that we will be offering as an amendment. There is overwhelming bipartisan support for this. I thank Chairman BAUCUS and Ranking Member GRASSLEY for committing to work with Senator KERRY and myself to get this issue addressed.

The need for the amendment is based on a little-noticed provision that was added in 1989. It has to do with cell phones and similar devices that are treated as what the IRS has known as ''listed property,'' along with computers and automobiles. As a result, employees and employers must keep detailed records of all calls made on their employer-issued cell phones, indicating whether they are personal or business related, or have the value of the phone included as taxable income. This law is a good example of the Government attempting to micromanage the economy and why they shouldn't. Government is not good at keeping up with the private sector.

Twenty years ago, cell phones were bulky, they were cumbersome and expensive, they were the size of a brick and weighed almost as much. When given by businesses to employees, they were considered to be an executive perk or a luxury item and were often hardwired to the floor of a car.

During the past 20 years, of course, cell phones and mobile communications devices have become incredibly small and cheap, and their use has skyrocketed. Cell phones and other mobile communications devices are now part of daily business practices at all levels. As a matter of fact, they are part of almost every American's daily life. They are an extension of the office for many employees and everyone recognizes the real motivation of employers is being able to call their employees at any time and at any place. The cost of providing coffee per employee today is likely higher than the per-employee cost of a cell phone or personal device. The mobile cell phone amendment updates the tax treatment of cell phones and mobile communications devices by repealing the requirement that employers maintain these overly burdensome, detailed usage logs. Outdated tax laws such as this must be updated to reflect 21st century realities, and this bipartisan amendment would do exactly that.

This is a small but important measure that we should be able to enact today to help small businesses, nonprofits, colleges, and employees use today's technology for business without interference from yesterday's regulation. This proposal was included in the President's budget, and if you need

more reasons to vote for this bill, talk to the Internal Revenue Commissioner, Doug Shulman, who released a statement that supports repeal of the current IRS cell phones reporting rules.

In his statement Commissioner Shulman states that:

> The current law, which has been on the books for many years, is burdensome, poorly understood by taxpayers, and difficult for the IRS to administer consistently.

Let me quickly summarize what we are doing. Basically, everybody who gets a cell phone from their employer, we don't want them to pay tax on that cell phone as some kind of a perk. If you think about how bills are paid today with cell phones, you have a monthly usage charge. You don't get charged per cell phone call as it used to be in the old days when cell phones were very expensive. People buy plans per month, so many minutes you get with those plans. For virtually everybody who gets a cell phone from a company, that is the way those plans are purchased today. We need to simplify the Tax Code. This is a very minor provision but an important provision because you don't want, all of a sudden, when you are going back through an IRS audit, to have to go back years and years and go through every one of your cell phone records and determine whether that was a personal phone call, was this a business phone call, and what percentage now, and having to figure all that out.

This is a simplification of the Tax Code. It is the right thing to do. It is a very simple thing to do. As soon as the amendment process is figured out, we will be offering this as one of the first amendments to the small business tax bill.

Once again, it has been a pleasure working with my colleague Senator KERRY on this bill.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KAUFMAN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BAUCUS. Mr. President, the Senator from Nevada, Mr. ENSIGN, spoke a few moments ago about the amendment we hope we can consider shortly, the Kerry-Ensign amendment on cell phones. That amendment deals with when an employer gives a cell phone to an employee. The question is, Is that compensation to the employee or is that an investment by the employer? Under current law, the IRS expects taxpayers to document how much they use the company's cell phone for business and how much they use it for personal use. I think most people don't keep these records. Frankly, most of my colleagues don't believe they should have to. This amendment says businesses should not have to bear this onerous recordkeeping burden anymore. It is a commonsense amendment. It has broad bipartisan support. I urge colleagues to support it at the appropriate time.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

(The remarks of Mr. CONRAD are printed in today's RECORD under ''Morning Business.'')

Mr. CONRAD. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. HAGAN). The clerk will call the roll.

The assistant editor of the Daily Digest proceeded to call the roll.

Mr. GRASSLEY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRASSLEY. Madam President, I wish to address my colleagues for a few minutes about the pending legislation that was recently introduced by my chairman and friend, Senator BAUCUS of Montana. This bill is targeted at creating jobs by providing targeted relief to our Nation's job engine, and that happens to be small businesses.

Our Nation is currently facing challenging economic times, as we have now for about 20 months. While there have been some signs of improvement, such as the recent growth of our gross domestic product, job losses continue to mount and many hard-working Americans are struggling to make ends meet. According to our Bureau of Labor Statistics, around 8 million jobs have been lost since our economy officially slipped into recession in December of 2007. The unemployment rate is currently 9.7 percent, which is simply an unacceptable level.

Small businesses in particular have been hit hard, with most job losses being attributed to businesses with fewer than 500 employees. According to the ADP national employment data, from December of 2007 through May of this year, small businesses with fewer than 500 employees saw employment decline by 6.4 million, while businesses with 500 or more employees saw employment decline by 1.66 million. According to this data, small businesses—those with fewer than 500 employees—accounted, then, for nearly 80 percent of the decline in employment during that period of December 2007 through May 2010.

The lack of job creation continues despite aggressive actions taken at the Federal level to stabilize the economy. This includes the enactment of the TARP bill, also the $800 billion stimulus bill, and more recently a bill we termed the ''HIRE Act.'' However, these bills were all missing a critical ingredient for spurring job creation; that is, substantial tax relief targeted at small businesses. The reason for that is most small businesses hire or do not hire according to what their cash flow is. When taxes are high, there is less cash flow or when tax policy is in a state of flux, as right now—what is it going to be this year because of sunsets this year—that uncertainty causes businesses not to be as aggressive as they normally might be in hiring.

While President Obama and my Democratic colleagues agree that small businesses create 70 percent of the jobs in our economy, less than one-half of 1 percent of the stimulus bill was tax relief for small businesses—in other words, not putting the money where it would do the most good.

The HIRE Act, which the Democratic leadership sold as a so-called jobs bill, did not fare much better in providing tax relief to our Nation's job engine. There was only one provision directed solely to small business tax relief. That was a provision I supported that increased expensing equipment purchased by small businesses. But it is a very small provision, and it only gave small businesses what they have already been getting for the last couple of years. That provision was only $35 million out of a $21 billion bill.

With the recent introduction of the small business tax relief bill, it looks as if this body is finally starting to get serious about tackling unemployment through a true jobs bill, compared to previous stimulus or jobs bills promoted by the majority.

This small business bill has a rather modest cost of about $12 billion to $15 billion. It is targeted at job creation by providing small businesses incentives to invest in new equipment, expand their operations, and ultimately hire new employees.

The bill includes provisions that would encourage businesses to invest in new equipment and real property by increasing the amount of capital expenditures small businesses can expense. For equipment, the amount that can be expensed is increased to $500,000, and for real property it is $250,000.

Moreover, it encourages investment by providing additional first-year bonus depreciation. It promotes entrepreneurship by increasing the amount allowed as a deduction for startup expenditures. It would increase access to capital by allowing 100 percent of gain from investment and qualified small business stock to be excluded from income and taking the general business tax credit out of the alternative minimum tax for sole proprietorships, for flowthroughs and nonpublicly traded C corporations with $50 million or less of annual gross receipts. It also increases access to capital by extending the 1-year carryback for general business credits to a 5-year carryback for small businesses.

Finally, the bill promotes small business fairness by limiting harsh penalties that have been imposed on small businesses by the IRS and equalizing the tax benefits for health insurance that self-employed individuals may receive to those received by employees.

While this small business bill would go a long way in informing small businesses Congress is very serious about

reducing the burdens imposed on them, many businesses continue to struggle and will not hire new employees simply because it is the stated policy goals of Congress.

According to the most recent survey from the National Federation of Independent Businesses—and we refer to that organization around here as the NFIB—when businesses are asked what the single most important problem facing their business is, the No. 1 answer is lack of sales, but this is closely followed by taxes and then by government regulation and redtape.

I have a chart here from the most recent NFIB survey listing the top problems facing small businesses, and you can see there, as I said, that first is poor sales; secondly, taxes; and then government regulation and redtape being the hindrances to small businesses expanding to create the jobs small businesses can create. Consequently, you can see tax policy is very important because, as I said, small businesses tend to operate out of cash flow to a greater extent than companies with equity and stock.

The small business community is currently being strangled by a climate of uncertainty. Whether we are speaking about cap and trade—some people refer to that as cap and tax—that will drastically increase energy costs or about health care reform that will require small businesses to offer health benefits that will increase the cost of labor or about the call for tax increases on so-called wealthy taxpayers earning over $200,000, that will largely fall on the backs of small businesses. Whether you are talking about any of these three—or more that I could mention—there is a great deal out there that causes small businesses to stop and think of whether now is the time to expand and hire new workers.

Taxpayers earning above $200,000 are frequently identified as coupon clippers by many of my friends on the other side of the aisle. A disproportionate level of business activity is attributable to small businesses owned by that group, and we have a chart here that shows evidence of this linkage. This chart is based upon Gallup survey data showing that over half of the larger small businesses—the ones with the good share of the workforce—are controlled by taxpayers who are targeted by the other side's marginal rate hikes. Twenty-seven percent of the medium-sized small businesses are controlled by taxpayers targeted by as much as a 17-percent marginal rate hike.

The owners of the smallest of the small business community are also affected. You see from the chart that it provides an example of how a fairly typical small business owner would be impacted by the increase in just the two marginal tax rates, which is the proposal of the President and I assume something we are going to be dealing with between now and the end of the year because everything sunsets on December 31. And I can tell you that nobody wants to be out there campaigning this fall with the largest tax increase in the history of the country happening without even a vote of the people and particularly as it is going to hit middle-income taxpayers.

So you have this possibility whether it is Congress legislating, in the higher tax brackets, higher taxes or whether it is just the tax increase going into effect without a vote of Congress. You can see here in the charts that a small business owner who is married and has two children, who has $500,000 in taxable income could see a $19,600 tax hike. That is a 13-percent increase in taxes.

One way Congress can try to put some certainty back into the lives of small businesses and entrepreneurs is by dealing with the unfinished tax legislation business. As this chart shows—and I think I brought this chart to the floor at least four times in the last 3 weeks I have been addressing this issue of taxes—there are four major pieces of legislation dealing with expired or expiring tax provisions that have yet to be addressed by this Congress, meaning between now and adjournment this December.

I have talked about this unfinished tax legislation business several times over the past few weeks, but I cannot stress enough how important dealing with these time-sensitive matters is for the business community because one of the reasons they are not hiring is because of the uncertainty that is out there—what is Congress going to do and when are they going to do it? Without certainty in tax policy, businesses are unable to plan for the future, and many businesses are in a holding pattern waiting to see what Congress will do. So it is quite obvious this is very bad for the economy and it will not be an environment for job creation. The list of unfinished tax legislative business includes everything we have here, but I will mention them: the tax extenders, which are overdue by over a half year; it also includes the alternative minimum tax patch; another area is the death tax; and the final area is the 2001 and 2003 tax rate cuts.

I am going to discuss that policy today and its implication for small businesses because until we get small businesses confident of the future and willing to spend money and invest, we are not going to create jobs. And that is a big void that is out there—not that this Senator is the only one saying so. Many Senators on the other side, including the leader of the Senate, have said that 70 percent of new jobs are created by small businesses.

As important as the AMT patch and the death tax are, they are dwarfed by the impact of this fourth package of expiring tax provisions—the 2001 and 2003 rate cuts. This was a bipartisan tax relief package. I get so tired of people talking about the Bush tax cuts from the standpoint that it was an entirely Republican-driven effort with no support from the other side of the aisle. There were a large number of Senators in the then-Democratic minority—which soon became a majority because of the switching of one Senator from a Republican to a Democrat—who helped push through this bipartisan tax relief enacted in 2001.

Under statutory pay-as-you-go, the amount permitted in this area by the budget of last year is about $1.4 trillion. It covers about 80 percent of extending all the marginal tax rates and family tax relief from the 2001 and 2003 bipartisan plans. That number makes sense because the bipartisan tax relief plan cuts taxes for virtually every American family who pays income tax.

How significant and how widespread is that tax relief, you may ask. This chart, drawn not by Republicans or Democrats but by the Congressional Budget Office data, sheds some light on that very point I bring up. In other words, the significant and widespread tax relief is very dramatic for most Americans.

The line above measures the effective tax rate paid by the top 5 percent of taxpayers. What is significant about that 5 percent is this is where the small business owner tax hit occurs. This group roughly represents those taxpaying families with incomes over $250,000. Under the Democratic leadership's budget, this line will go back up to where it was in the year 2000. So you can see where the white vertical line goes is where we were in the year 2000. And this is also where the President's budget and the statutory pay-as-you-go regime would take the raise.

People on my side of the aisle—Republicans—believe this significant tax increase will be a mistake. We hope we will be able to debate this policy in the House and Senate, in committees and on the floor. That was, after all, the process we followed when the bipartisan tax relief plans were passed in 2001, 2003, and 2005. We will point out, as we did then, that the tax increase falls primarily on the backs of small businesses.

Data from the Joint Committee on Taxation—and these are the nonpartisan official congressional scorekeepers on tax issues the way the CBO is on spending issues—shows that 44 percent of the flowthrough business income will be hit with the increase in the top two tax rates proposed by the President and the Democratic congressional leadership. A lot of this income is concentrated in the larger small businesses I have referred to here earlier, particularly those of up to 500 employees.

This hits small businesses particularly hard since most small businesses are organized, as I have said, as flowthrough entities. So it will increase taxes on a single small business owner who makes more than $200,000 per year even if they plow all their income back into their small business to keep paying their workers or hire additional workers.

The top marginal rate on small business owners will rise by almost 17 percent. Democrats and Republicans agree that small businesses are the key job creators of the past and the future. President Obama correctly pointed out that small businesses create 70 percent of the new jobs.

The rest will also hit investment hard. The top capital gains rate will rise by 33 percent. The top dividend rate could nearly triple. All of this is set to occur, not at some far distant future point, it occurs about a half year from right now.

We all hope the economy is on a path to recovery, but does this heavy tax increase on small business owners and investment ever make sense? Even the most liberal Members on the other side might wonder whether it makes sense. Do we think the private sector will grow if we hit small business investors this hard 6 months from now? And think of the uncertainty between now and then. They are not going to do anything.

I remember that this President, between his election and January 20 when he was sworn in, decided that going into a recession—or by then in a recession—even though he campaigned on a promise of increasing taxes on higher income people, it was not the right thing to do at that time of a recession.

Last December the President had some of us down to talk about jobs, helping turn the economy around, getting people hired. When he called upon me I offered him that same advice that he decided by himself 12 months before, that being in a recession was no time to increase taxes. We were in a recession still in December of 2009, as we were in December of 2008, and we still have 9.7 percent unemployment. The President could help the economy if he would announce, as he did before being sworn in, that even though I campaigned on a platform of increasing taxes on higher income people, now is not the time to do it. But he seems inclined to increase taxes, even though it is detrimental to job creation, particularly job creation by small business.

You can see, then, that the bipartisan tax relief brought, at the time we passed it, the effective rate down with respect to the bottom 95 percent of the taxpayers as well. That is the bottom line of my chart right here. So it was a tax cut across the board for almost every American. I stress this because some of my colleagues on the other side of the aisle may be thinking to themselves: Sure, this is true for income taxes. But what about other Federal taxes, such as Social Security, which make up a large percentage of taxes paid by lower and middle-income individuals? This chart is not just a depiction of Federal income taxes; this includes all Federal taxes. This includes Social Security, other payroll taxes and excise taxes frequently referred to by my colleagues on the other side as ''regressive taxes.''

Even including all Federal taxes over the last 30 years, the top 5 percent of income earners have paid a lot higher effective tax rate than the bottom 95 percent. It has been that way no matter which party has controlled the White House, Congress, or both the White House and Congress. It shows something that you would never know if you listen to the rhetoric of the majority Members of this body or even listen to the punditry on the left and some in the media.

Here is what it shows: A progressive income tax system is deeply embedded in our culture. The bipartisan tax relief plans of 2001 and 2003 made the system yet more progressive. These plans brought the rates down for the bottom 95 percent of the taxpayers, as you can see here on the bottom line. The 2001 and 2003 tax relief plans dropped the effective tax rates for tax-paying families under $250,000 to their lowest levels in a generation. This is the current law, the current level of taxation.

In about a half year these rates will pop back up for all of these taxpayers. That is the checkered line going across there. That is where they are going to return to. The President, as powerful as he is, cannot unilaterally hike or cut taxes. He needs a bill from Congress to do that.

On our side, we want all the tax relief made permanent. We want the opportunity to debate and to amend a bill that deals with this basic level of taxation, the basic level of taxation where the solid lines take us both for high-income people and low-income people; otherwise, they go back up to the checkered line there. This is unfinished business that affects virtually every American taxpayer.

It is clear that over the last 3½ years, Republicans do not control this Congress. We cannot decide the fate of the marginal rate cuts. It will have a fiscal consequence. There are pretty significant fiscal consequences, but if the Democratic leadership wants to keep these levels of taxation low, then they have to deal with the fiscal consequences.

Alternately, the Democratic leadership can raise taxes and claim the revenue. Not changing the law by failing to act is the same as raising rates on virtually every American taxpayer. But they will have to explain to those taxpayers why they raised taxes by almost 10 percent on average.

In the 2006 election almost 4 years ago, the American people provided the Democratic leadership with control of this Congress. In the election 18 months ago, the American people provided the Democratic leadership the largest majorities that any one party has had in this body in more than a generation. They also provided the Democratic leadership with a President of their party. The Democratic leadership spent the period of 2001 to 2006 thwarting efforts to make the bipartisan tax relief of 2001 and 2003 permanent—which, if they had not fought it, would be permanent law and we would not have this uncertainty that keeps small business from hiring and expanding.

Upon assuming control, the majority has spent 3½ years with no legislation to make permanent or even extend the marginal rate cuts and family tax relief packages. My friends in the Democratic leadership need to step to the plate. We have had budget and statutory pay-as-you-go, we have debated and voted on the breadth and composition of the marginal rate cuts and family tax relief in those contexts. No legislative action whatsoever. No House committee or floor action. No Senate committee or floor action—as you can see by my ''to do'' list.

The Democratic leadership needs to step to the plate. Blaming former President George W. Bush and the Republican Congresses of many sessions ago is no substitute for running this time-sensitive tax legislative business through the legislative process. Put forward some proposals. Let's debate those proposals. Let's allow for amendments. Do the people's business. It is time to fill in each of these boxes with a checkmark instead of an X.

Fiscal history shows us that raising these marginal rates on small businesses by as much as 17 percent will not necessarily improve the fiscal picture. The relationship between higher rates and higher revenue is tenuous at best.

I have a chart that tracks this history for over 50 years, I believe. Yes, for 55 years and, who knows, maybe farther back than that. Taxpayers are not automatons. Small business taxpayers will respond dramatically to higher rates. I am afraid the response will not help the economy. It will not mean expansion. It could mean contraction. This is not the right signal to send if we want businesses to create more jobs.

I want to emphasize this chart. You can see, over a period of 55 years, the red line is the revenue coming into the Federal Treasury from all Federal taxes as a percentage of gross domestic product. Then you can see over that 55 years we have had varying years of high marginal tax rates and lower marginal tax rates. It was 93 percent under Eisenhower, down to a low of 28 percent under Ronald Reagan, back up to 35 percent for several years as a result of the Bush tax increase, continued by the Clinton tax increase. Then with the 2001 bill you see it go down, the marginal tax rates, to 35 percent from 39 percent.

What that ought to tell you is that the people of this country are smarter than we are here in the Senate. We can think we are going to increase marginal tax rates and bring in a lot of revenue. But the people of this country who have the capability of deciding whether they are going to invest and create jobs and invest so they can make more money have decided that they are only going to send so much money to Washington, DC, for those of us in the Congress to decide how the resources of this Nation are divided.

You can have 93-percent tax rates or you can have a low of 28-percent tax rates, but you still get about the same amount coming in. So we ought not fool ourselves that we can direct to this country that we are going to force you to pay more taxes with higher marginal tax rates, because the people in this country have the ability to decide that they are going to work and produce or is it worth working and producing if you have high marginal tax rates and then maybe decide not to work and invest so hard and maybe take a life of leisure—more so. But you find when you reduce marginal tax rates you get more economic activity from it. You get more economic activity from it because, quite frankly, we in this Congress, 535 of us, when we decide what to do with the resources of this country it does not do as much economic good as when you leave the money in the pockets of 137 million taxpayers and they decide whether to spend or whether to save or to spend and save and how to save it and what to spend it on. It creates more jobs.

I hope we look at helping small business. The bill before us is a good bill with solid initiatives for small business. I compliment my friend Chairman BAUCUS for diligently pressing these issues. They would be even more effective if we could address the uncertainty a small business faces on the tax front.

When it comes to whether small business can do a better job of creating employment or whether government can do it, I wanted to ask the question: How many jobs did the stimulus bill create?

Here we were, February of 2009, passing an $800-some billion stimulus bill supposedly to keep employment under 8 percent, and it has not been under 9½ percent for well over a year. That is government, through stimulus, trying to create jobs—and not enough in the private sector, by the way.

So in recent weeks, a number of my colleagues have come to the floor to proclaim the success of this massive, now I guess it adds up to a $862 billion stimulus bill that Congress enacted in February of 2009. Similar statements were made earlier this very day.

Although the number of private sector jobs has increased by only half a million since 2009, my friends on the other side continue to insist the stimulus bill has created millions of new jobs. So I would like to see how they justify those claims. The stimulus bill requires certain recipients of stimulus funds to report the number of jobs they have created or saved or, more accurately, they report the number of jobs funded with stimulus dollars. The stimulus bill also requires the Congressional Budget Office, CBO, to issue a quarterly report on those numbers.

CBO is careful to point out that the number of jobs being reported by stimulus recipients is not a comprehensive estimate of the economic impact of the stimulus bill. CBO says the actual numbers could be higher or lower. According to CBO:

> Estimating the law's overall effect on employment requires a more comprehensive analysis than the recipients' reports provide.

For this analysis, CBO relies upon computer models. In other words, CBO does not look at the actual jobs data; instead, it looks at a model of the economy. CBO is very upfront about this to all of us.

CBO used a computer model to predict how many jobs the stimulus bill would create before it was enacted into law. Now that the stimulus bill is law, CBO is using a computer model to tell us it did just what they said the model would do, create jobs. Why would CBO rely upon a model instead of actual data?

According to CBO:

> Data on actual output and employment . . . are not as helpful in determining [the stimulus bill's] economic effects . . . because isolating those effects would require knowing what path the economy would have taken in the absence of the law. Because that path cannot be observed, there is no way to be certain about how the economy would have performed if the legislation had not been enacted.

In other words, CBO does not know how much better or worse the economy would have been if the stimulus bill had not been enacted. That means CBO does not know how much better or worse the economy is now as a result of the stimulus bill.

So, basically, CBO is saying: Trust us—or more specifically, trust our model. But if the model was wrong to begin with, then it is still wrong. According to CBO, their model relies on historical relationships to determine estimated ''multipliers'' for each category of taxes and spending in the stimulus bill. The problem is, there is no way to know whether these historical relationships remain constant over time or whether they change under different economic circumstances. In short, the jobs numbers attributed to the stimulus bill are based on assumptions that may or may not have any basis in reality.

The bottom line is this: CBO cannot be cited as an authority for the proposition that the stimulus bill actually created jobs. All CBO has done is confirm that its model, and I repeat, CBO's model, projected jobs would be created from the stimulus bill.

CBO has not confirmed that the stimulus bill actually created jobs. What we do know is that in 18 months, since the $862-plus billion stimulus bill went into effect, the private sector has added a relatively small number of new jobs, about half a million. This is a small portion of the number of new jobs asserted by my friends on the other side of the aisle.

I want to make the RECORD very clear on this very important point.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. SHAHEEN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mrs. SHAHEEN. Madam President, I am here to speak to the bill that is pending before us. Small businesses are the cornerstone of New Hampshire's economy, just as they are the cornerstone of the economies of so many of our States.

Over 96 percent of employers in New Hampshire are small businesses with fewer than 500 employees, 96 percent. The economic recovery of New Hampshire depends on the ability of those small businesses to invest in their future, to grow their businesses, and to hire new workers.

But right now many of these small businesses are hurting and they continue to have trouble accessing credit, the credit they need to help turn our economy around. While community banks in New Hampshire have increased their lending, I consistently hear from small businesses that they still need additional working capital.

Last year my office organized a financing fair to bring together lenders and small businesses who need financing. Over 500 people showed up. That is a crowd in New Hampshire. Wherever I go in the State, small business owners tell me they have run out of financing options. In some cases their only choice is to turn to credit cards, their personal credit cards where they pay exorbitant interest rates to get the working capital they need to keep their businesses growing.

That is why we need to quickly pass the Small Business Jobs Act. This legislation will help small businesses in New Hampshire and across the country access the credit they need to create jobs and to weather this economic storm. I am very proud of the work of my committee. As the President knows, the Small Business Committee does great work. It is led by Chairman LANDRIEU and Ranking Member SNOWE.

They have worked and we have worked on this committee to fashion bipartisan measures to strengthen critical SBA programs for small businesses. This afternoon I want to talk about two of those provisions in particular that I think will provide tangible credit solutions for small businesses in New Hampshire.

Many creditworthy small businesses have mortgages on their property that are coming due in the next year. In normal times these businesses would simply refinance those mortgages at reasonable rates. But with commercial real estate lending so tight, and real estate values falling, the only option for many businesses is to refinancing at very high rates. This drains them of the cash they need to pay for their workers and buy new inventory.

For small businesses that cannot refinance at all, they face foreclosure even though they may have never missed a payment on their loan. The

Small Business Jobs Act will change an existing SBA program in a way that makes sense. It will change the 504 program to help small businesses refinance these mortgages at low rates. This will free up capital for these small businesses to hire workers and to make other investments to grow their operations, and we can do this in this bill at no cost to the taxpayer.

In New Hampshire, this will help small businesses of all kinds: manufacturers, hotels and restaurants, doctors offices, and many others. This will help them retain hundreds of jobs that would otherwise be lost due to a lack of credit availability. In some cases, it will stop businesses from having to close their doors altogether.

This bill will also increase the maximum loan limit of the Express Loan Program. This is another important provision of this bill that will help small businesses in New Hampshire get the working capital they need. The Express Program is popular with small business lenders in New Hampshire because it cuts redtape and provides a streamlined process for approving loans.

Unlike traditional 7(a) loans, lenders can use their own paperwork for SBA Express Loans, making it easier for them to quickly get capital into the hands of small businesses. Currently, however, Express Loans are capped at $350,000. The Small Business Jobs Act will increase the loan limit to $1 million, making additional working capital available to small businesses.

I thank Senators LANDRIEU and SNOWE for working with me to include this important provision. I am also pleased that the bill includes President Obama's initiative to provide over $30 billion for two new lending funds for small business owners.

I am hopeful the small business lending fund and the State small business credit initiative will provide community banks with the capital cushion they need to expand lending to small businesses.

This bill also lowers taxes on small firms, providing over $12 billion in tax cuts to help free up capital so small companies can invest in their future. These tax cuts are fully paid for, and they will not add to the deficit. The Small Business Jobs Act will help provide the boost that small businesses in New Hampshire and across the country need so desperately so they can create jobs and help continue to grow our economy.

I urge my colleagues to join me in supporting this critical piece of legislation.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. UDALL of New Mexico. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The remarks of Mr. UDALL of New Mexico are printed in today's RECORD under ''Morning Business.'')

Mr. UDALL of New Mexico. I yield the floor and I note the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant editor of the Daily Digest proceeded to call the roll.

Mr. NELSON of Florida. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The remarks of Mr. NELSON of Florida are printed in today's RECORD under ''Morning Business.'')

Mr. NELSON of Florida. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. UDALL of Colorado). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CASEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

HONORING OUR ARMED FORCES SERGEANT JOSEPH CASKEY

Mr. CASEY. Mr. President, I rise tonight to talk about the war in Afghanistan, and, unfortunately tonight, as I begin my remarks, I have to report on yet another death of a soldier killed in action in Afghanistan. Yesterday, in Pennsylvania, we lost another marine. This time the marine was from West View, PA, Allegheny County, the county in which most people know the city of Pittsburgh is. SGT Joseph Caskey, 24 years old, was on his second tour and was killed in action.

If the counting is right in terms of the number killed in action from Pennsylvania, he is likely the fiftieth killed in action from Pennsylvania. We have about 260 who have been wounded. That number may be higher, but that is the most recent number I have seen. Sergeant Caskey gave us, as Abraham Lincoln said so eloquently so many years ago, the last full measure of devotion to his country. And like so many others—hundreds and hundreds who have died in the conflict in Afghanistan, and those who died in Iraq and so many other conflicts—we mourn his loss and we commend his service, but I think we also, at the same time, must recommit ourselves to making sure we are putting this conflict on the floor of the Senate; that we debate it more; that we talk about it more, so that we get the policy right. I am going to speak a little while tonight about that.

In terms of the lethality or the focus we have on those who have lost their lives, June is the deadliest month on record for coalition forces. I wish we didn't have to report on that. I wish those of us who come to the floor periodically to talk about the war and to talk about individuals from our States who have perished—who have either been killed or who are suffering from grievous injuries—could come and talk about some other milestone in the life of that person—a soldier such as 24-year-old Sergeant Caskey. I wish I could come and report about some other milestone in his life instead of the news about his death.

But we have to talk more about this war. We have to make sure we are debating it more. One of the things that we know has just transpired is a change in command. Today, the Senate Armed Services Committee—and the Presiding Officer is a member of that committee—voted in favor, thank goodness, of General Petraeus's nomination to be the Commander of the ISAF forces in Afghanistan. I think to say this is bipartisan is an understatement. We know that President Obama has chosen a man worthy of this job, and we are fortunate that he has once again accepted the call to action and accepted this new responsibility.

I spoke today by telephone with General Petraeus and covered a number of issues dealing with a whole range of foreign policy and security issues, including some of those pertinent to the conflict in Afghanistan. I have full confidence, as I know so many others in this Chamber and across the country do, in his leadership. I have full confidence that he will be able to implement a strategy that contributes to the overall security of Afghanistan and also a strategy that will train the Afghan security forces and create the kind of political space the Afghan Government needs to provide security and services to its people.

This new command by General Petraeus, upon confirmation—it has not been voted on in the Senate, but I will be voting for him, and I know he will receive a great vote—will bring a new opportunity to assess where we are in the fight, and it is good that we do that. The news, unfortunately, is not all that encouraging lately. We continue to face a host of challenges in Afghanistan.

A Washington Post newspaper report this week cited allegations of blatant and rampant corruption within the senior ranks of the Afghan Government. The report detailed examples where government officials blocked corruption investigations and ordered investigators to remove names from case files. That is just one problem. Secondly, there were allegations of individuals preventing the arrest of senior officials and not acknowledging evidence against businessmen accused of helping Afghan elites to move millions of dollars out of the country.

This was a published report. These are allegations, and we hope they are not true, but if they are, we have much deeper problems than we thought maybe even a couple of days ago. These

are serious allegations that require a serious and thorough investigation and scrutiny. Those who are accused of these crimes should be prosecuted upon the review of the evidence.

As I have said in the past about this conflict, our success will be determined by a belief among Afghans that justice can be delivered by its government. The people of Afghanistan have a right to expect honest government officials working on behalf of the public good, working on behalf of the people, not to enrich themselves, not to provide advantages for the elite in Afghanistan, not just to provide advantages for the wealthy but to make sure that the people are the beneficiaries of a clean, honest government and the kind of effective services that the people should have a right to expect.

The people also have a right to expect a police force capable of protecting the population against criminals. They do have that right. They also have a right to a fair and efficient system of justice in Afghanistan, capable of delivering verdicts based upon the rule of law and not according to the barbaric code embraced by the Taliban. Unfortunately, today, we don't yet see a government in Afghanistan that is fully capable of providing this kind of justice. So we have to monitor what is happening there. We have to make sure we see results and not just rhetoric. We have to see the reality of progress on security, on justice, on the delivery of services—not just the aspiration but the delivery of results.

As we consider the nomination of General Petraeus—and as I mentioned before, a nomination I fully support—I hope this nomination will be one of the reasons we will have a more substantial discussion or debate about the policy here in the Senate. That is where that debate should take place, as it takes place in the House and outside of the Capitol and across America. We should have in the Senate a debate or a reengagement of the debate about this policy. We owe it to our fighting men and women to do nothing less than that, to be committed to examining every aspect of the conflict in the weeks and months ahead. We must continue to ask and get answers to the tough questions on security, on governance, and on the delivery of services, to mention three broad areas of review, analysis, and, of course, inquiry.

As allegations of Afghan Government corruption emerge, oversight is essential when we hear these allegations. If the Afghan national police and army are not hitting their recruitment and training targets, for example, we need to know why. The American people and the Afghan people have a right to expect that we and the Afghanistan leadership, starting with President Karzai, get answers to those tough questions about the security, and especially about the army and the police.

I spoke yesterday of my commitment, and the commitment of so many others in this Chamber, to helping stem the flow of ammonium nitrate into Afghanistan from its neighbors, particularly Pakistan and the countries of central Asia. This deadly ingredient is used in most of the IEDs found in Afghanistan—bombs which have grown more powerful in recent months. We are now getting reports of the destructive power of IEDs not only to kill and to maim our troops who happen to walk near one of these explosive devices but to literally lift up an MRAP—this great vehicle we have been able to produce that lessens the chances that an explosion under the vehicle will kill someone. The explosions are now so great that they have been lifting up the MRAP and flipping it on its head and killing or gravely injuring troops not because the bottom technology and the engineering wonder that has saved so many lives is giving out, but because the vehicle itself is being lifted up and then smashed down in a way we couldn't even imagine maybe even a year ago or months ago.

As I mention the impact of ammonium nitrate as the destructive ingredient in the IEDs, it so happens that Sergeant Caskey, the marine I spoke of earlier from Pennsylvania, who we believe is the fiftieth soldier killed in action in Afghanistan, was killed by an IED, as so many others—hundreds and hundreds—have been killed in that manner.

This concern about ammonium nitrate is just one of a series of regional concerns that we have with respect to the conflict in Afghanistan. Pakistan has recognized the severity of the threat posed by the Afghan and Pakistani Taliban. The Pakistani forces have suffered heavy losses within their own borders, and I respect the commitment they have shown as the struggle continues. While the battle has been tough and difficult, we will need more help from the Pakistani people and their security forces in the weeks and months and years ahead.

We have no better military leader to take on this challenge at this time than General Petraeus. As we confront this enormous challenge, our country has called upon him again and he has answered affirmatively to that call. I believe General Petraeus has the experience, the knowledge, the insight, and of course the respect of not only leaders in the military but also leaders in the region and, of course, he has the respect and support of the American people. So we should be happy and affirmative about that part of the story even as we confront allegations of corruption, even as we confront more and more troops wounded and killed in action, even as we confront the challenge of this policy.

The minimum we must do in the Senate is to make sure that the oversight we provide, the debates we engage in, and all of the work that we do in the Senate that relates to this policy, at a minimum attempts to justify and to be equal to the commitment of our troops. Their job is so much more difficult than our job. We don't have to put our lives on the line. We debate and we learn and we try to move the policy forward, but the least we should do is to have a debate that matches or at least attempts to be equivalent to the sacrifice that they display every day.

When we think of our troops, we mourn, of course, those who have been killed in action, and we also remember and salute and celebrate the contributions of those who have served and who come home with an injury, sometimes grievously wounded.

Of course, we remember and salute those who serve and, fortunately, with the blessing of God, are not killed or not wounded and they can come home and be reunited with their families, with their communities.

We remember all those, as Abraham Lincoln said a long time ago: ''Him who has borne the battle.'' Of course in 2010 we are talking about him and her, those who have borne this battle.

We have a long way to go as it relates to this policy but, as we are thinking tonight of the hope we have in General Petraeus's leadership, the confidence we have in his ability and his commitment—he is a patriot like few others—even as we are hopeful about that we remember those who lost their lives, such as Sergeant Caskey, of West View, PA, and so many others who have served, and their families, who have loved and lost.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll

Mr. REID. I ask unanimous consent that the order for the quorum call be rescinded.

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

AMERICAN JOBS AND CLOSING TAX LOOPHOLES ACT OF 2010

Mr. REID. Mr. President, I ask the Chair to lay before the Senate a message from the House with respect to H.R. 4213.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Motion to concur in the House amendment to the Senate amendment with an amendment to H.R. 4213, an act to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

Pending:

Reid (for Baucus) motion to concur in the amendment of the House to the amendment of the Senate to the bill, with Baucus amendment No. 4386 (to the amendment of the House to the amendment of the Senate to the bill), in the nature of a substitute.

Reid (for Baucus) amendment No. 4387 (to amendment No. 4386), to change the enactment date.

Reid motion to refer in the amendment of the House to the amendment of the Senate to the bill to the Committee on finance, with instructions, Reid amendment No. 4388, to provide for a study.

Reid amendment No. 4389 (to the instructions (amendment No. 4388) of the motion to refer), of a perfecting nature.

Reid amendment No. 4390 (to amendment No. 4389), of a perfecting nature.

Mr. REID. I ask unanimous consent that the motion to refer be withdrawn.

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

Mr. REID. I ask unanimous consent that the motion to concur in the House amendment to the Senate amendment to H.R. 4213 with the Baucus amendment 4386 be withdrawn.

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

MOTION TO CONCUR WITH AMENDMENT NO. 4425

(Purpose: In the nature of a substitute)

Mr. REID. I now move to concur in the House amendment to the Senate amendment to H.R. 4213 with an amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] moves to concur in the House amendment to the Senate amendment to H.R. 4213 with an amendment numbered 4425.

Mr. REID. I ask unanimous consent that further reading of the amendment be dispensed with.

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

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4426 TO AMENDMENT NO. 4425

Mr. REID. I now have a second-degree amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4426 to amendment No. 4425.

The amendment is as follows:

At the end of the amendment, insert the following:

The provisions of this Act shall become effective 3 days after enactment.

CLOTURE MOTION

Mr. REID. I have a cloture motion on the motion to concur at the desk and ask that it be stated.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to concur in the House amendment to the Senate amendment to H.R. 4213, the American Jobs and Closing Tax Loopholes Act, with a Reid amendment No. 4425.

Harry Reid, Max Baucus, Jack Reed, Edward E. Kaufman, John F. Kerry, Sheldon Whitehouse, Carl Levin, Roland W. Burris, Richard J. Durbin, Jeff Merkley, Benjamin L. Cardin, Christopher J. Dodd, John D. Rockefeller, IV, Barbara Boxer, Patty Murray, Robert P. Casey, Jr., Charles E. Schumer.

Mr. REID. I ask unanimous consent that the mandatory quorum be waived.

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

MOTION TO REFER WITH AMENDMENT NO. 4427

Mr. REID. I have a motion to refer with instructions at the desk, and I ask that that motion be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] moves to refer the House message to the Senate Finance Committee with instructions to report back forthwith with an amendment numbered 4427.

The amendment is as follows:

At the end, insert the following:

The Committee on Finance is requested to study the economic impact of the delay in implementing the provisions of the Act on job creation on a national and regional level.

Mr. REID. I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4428 TO AMENDMENT NO. 4427

Mr. REID. I have an amendment to the instructions at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4428 to amendment No. 4427.

The amendment is as follows:

At the end, insert the following:

''and include statistical data on the specific service related positions created.''

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4429 TO AMENDMENT NO. 4428

Mr. REID. I now have a second-degree amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4429 to amendment No. 4428.

The amendment is as follows:

At the end, insert the following:

''and the impact on the local economy.''

MORNING BUSINESS

Mr. REID. Mr. President, I now ask unanimous consent that the Senate proceed to a period of morning business, with Senators allowed to speak for up to 10 minutes each.

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

REMEMBERING SENATOR ROBERT C. BYRD

Mr. ENZI. Mr. President, I am here today to pay respects to Senator BYRD, whose desk is now adorned with a black cloth and flowers. I know we will all long remember Monday as the day we received some very sad news, for on that day, as the morning began, we each learned in our own way that our good friend and colleague ROBERT BYRD had passed away just a few hours earlier. It should not have been a sudden shock. We all had time to prepare for this moment. We knew he had been having a period of ill health, but it still seemed as if he would be here forever. That is the kind of man ROBERT BYRD was.

A man of great gifts, he loved the written word and could recite his favorite poems from memory—at length. It was amazing how many speeches, reflections, and famous quotations were there at his command, in his quiver, ever ready and waiting for him to recite so he could emphasize an important point about an issue that needed to be made. That is the kind of man ROBERT BYRD was.

While it is true he was the longest serving Member of Congress in history, he was so much more than that. He was the historian of the Senate who knew more about our roots as a legislative body than anyone else. He was a master legislative craftsman, and whenever he spoke, we all listened carefully to see what he had to say about the matter we had taken up for deliberation. That is the kind of man ROBERT BYRD was.

No one had more respect and regard for the Senate and our legislative traditions and procedures than he did. He knew the rules, he knew why they were crafted that way, and he knew how to make good use of them to further the agenda he believed to be in the best interests of the people of our Nation. Once again, that is the kind of man ROBERT BYRD was. That is why it is so difficult to sum up his life in just a few well-chosen words.

There is no greater tribute we can pay to ROBERT BYRD than for the spirit of friendship and camaraderie, which were staples of his Senate service, to bring us all to the Senate floor to express our regrets and send our condolences to his family. It will also give us a chance to share our memories of someone we will never forget.

I will always remember the orientation he organized for the incoming class of new Senators each session for as long as he was able. Besides a strong historical welcome, he presented each of us with one volume of his four-volume history of the Senate. If we read it and were able to answer questions about it, then—and only then—would

we get the other three volumes. I remember asking him how he wrote them. He said he presented all of it as a series of floor speeches delivered without any notes, with most corrections made simply to clear up what the floor reporters thought they heard. He had a photographic memory, and that made it all possible. Perhaps it came from his years of study of the violin. In any event, it made him a better speaker because he spoke slowly and deliberately, carefully editing his sentences as he spoke. His style created a natural bond between himself and the listener, and that is what made him such a styled and gifted communicator.

It may be a cliche, but he was a southern gentleman through and through. He had no tolerance for any rude or impolite conduct on the floor. He instructed and expected all of us to be courteous and respectful—not because of politics but because of the great institution of which we are a part. He knew what a great honor and a privilege it is to serve in the Senate, and he expected everyone else to realize it as well and to act accordingly.

When you presided over the Senate, he expected you to pay attention to each speaker. Sometimes, the Presiding Officer is the only one in the Chamber. There was a time when there was a telephone under the Presiding Officer's desk. As the story goes, Senator BYRD was speaking when the phone under the desk rang. When the Presiding Officer answered it, Senator BYRD made sure to make him aware of the importance of courtesy in such a situation. The Presiding Officer then said: ''Senator BYRD, the phone is for you.'' That is when the phone was taken out and a rule went into effect that no electronic devices were to be used on the Senate floor.

Then there were his special speeches. He always commemorated each holiday the evening before a recess would begin. Each speech was very poetic and, in fact, usually had some poem he had memorized years before that would come to mind and be recited from memory. He was good at it, so good that we looked forward to his poetic observations on the passing of time.

That unique speaking style of his also helped him to build a good relationship with our pages. His ''going away'' speech for each graduating class often left many of them in tears. Their fondness for him only grew when they learned that if the Senate was in session after 10 p.m., they had no early morning classes the next day. They were always delighted, therefore, when the hour grew late and Senator BYRD rose to speak. They knew he could easily add the 10 or 15 or even 30 minutes needed to get them past 10 o'clock and a welcome reprieve from the early morning classes.

My favorite speech Senator BYRD gave happened when I was presiding. Over the previous weekend, he had visited some of his grandkids and asked about their studies. He was a firm believer in education and was an example of lifelong learning himself. One of his grandkids had shared a math experience with him. He was so surprised, he asked to see the math book. He brought the book to the floor to read parts of it to us. He was distressed at how math had migrated into a social textbook. He pointed out that you had to get to page 187 to find anything that resembled the math he had learned. The parts prior to that were social discourse. Anyone who heard the speech would remember his indignation.

I remember being at an interparliamentary trip held in West Virginia hosting the British Parliament. We went to a mountain retreat for dinner. Senator BYRD welcomed them and then got out his violin and shared some fiddle music he thought was appropriate for the occasion. He was very good.

Senator BYRD was an expert on the rules of the Senate. At our orientation, he encouraged us to learn the rules. Because of his encouragement and as a way to learn the rules, I volunteered often to chair the Senate floor. Following his instructions, I brought a list of questions with me since during the quorum calls you can ask questions of the captive-audience Parliamentarian.

I once saw a Senator come to the floor to debate an amendment, and Senator BYRD was there to debate against it. The Senator wanted to revise his amendment. For half an hour, the Senator tried different tactics to change his amendment, and Senator BYRD thwarted every attempt. The Senator was frustrated. He asked for a quorum call, and he left the floor.

At that point, I asked the Parliamentarian if there was any way the Senator could have changed his amendment. The Parliamentarian explained that all he had to do was declare his right to revise his amendment. I asked why the Parliamentarian did not tell him that. What I learned is the Parliamentarian can only give advice when asked. My first stop at the Senate floor often is at the Parliamentarian as a result.

During much of Senator BYRD's career, he was either the chairman of the Appropriations Committee or the ranking member. He was very good about taking care of orphan miners. Those are primarily coal miners whose companies have gone out of business owing benefits. After a couple of lessons from the Senator, I worked with him to take care of the orphan miner health problem in a bill that speeded up mine reclamation in many States, extended an expiring tax on coal companies with their guarded permission, and then released impounded trust fund money promised by law to the States for the impacts the States put up to produce the Nation's energy, as well as take care of the orphan miners.

At another time, Senator ISAKSON and I worked with Senators BYRD, ROCKEFELLER, and Kennedy to make the first changes in mine safety law in 28 years. He was very proud of the difference he was able to make in the lives of coal miners back home, and he never forgot them whenever we were debating an issue that might have an impact on their lives.

In the days and weeks to come, I can think of no greater compliment we could pay another Senator or greater tribute we can pay to Senator BYRD than to watch someone in action on the Senate floor who develops and implements a well-drawn strategy and say: That is the way ROBERT BYRD would have done it.

For my part, I will always remember the great love Senator BYRD had for our Constitution. I do not think anyone knew it better or more detailed than he did. When I was mayor of Gillette, I began a habit of carrying around a copy of the Constitution with me. I discovered that a lot of us knew what it said but not too many of us had a grasp for the details. It had a lot of meaning for me right from the start because it represents the blueprint from which our Nation and system of government were constructed. Then when I came to the Senate, I came to know the Constitution in a completely different way. It was now my job description, as Senator BYRD put it. So I always kept it handy.

I have no doubt that Senator BYRD had a similar reaction years before my own. I am sure he knew the better he understood our Constitution and the procedures of the Senate, the more effective he would be as a Senator. He knew the importance of understanding the rules of our legislative process in every detail. The better he became at mastering the process by which our laws were made, the better he knew he would be at producing the outcome he was committed to achieving for the people of West Virginia and the Nation. I am sure that is why he always carried a copy with him.

The line-item veto was passed before I got to the Senate, but Senator BYRD had sued to have it stricken. Most of his Senate career had been as chairman of the Appropriations Committee or the ranking member. He pointed out that Congress, according to the Constitution, is supposed to make spending decisions, not the President. He always pointed out that we do not work for the President of the United States; we work with the President as a separate but equal branch of government. He would guard us against infringement by the President using the third branch of government, and he was successful.

Although his life was marked by many triumphs, he was not without his personal tragedies. I have always believed that the work we do begins at home, and that is why I will never forget the strength of his marriage and what a tremendous loss it was for him when his wife passed away. No one knew ROBERT BYRD better than she did, and without her by his side life became ever more difficult. His health began to fail.

I remember going to his wife's funeral. It was very well done. When my wife and I were on our way home, we commented that the endearing and astounding thing about the funeral was that it was about her. He made sure her achievements, her family, her efforts and successes were the focus. As famous as Senator BYRD was, the comments that were made that day were about her and not about him. That says a lot about the relationship they had.

Although his health was declining, he was here as often as he was able, an active part of the day-to-day workings of the Senate. He would not and could not take it easy, no matter what anyone told him. His heart was in the Senate; his soul was in West Virginia. To stop what he loved to do was for him and the people back home unthinkable.

One of Senator BYRD's favorite quotations comes to mind today. He loved the Bible and quoted from it often. When going through a difficult time in his life, he remembered the words from the Book of Ecclesiastes:

To everything there is a season and a time for every purpose under heaven.

Now Senator BYRD has come to another time, as he has reached the end of his seasons on God's green Earth. He will be greatly missed, and he will never be forgotten.

I cannot conclude my remarks without paying a final tribute to Senator BYRD by recalling his love of poetry and the written word. We can all remember the way he would enjoy sharing a favorite verse with us, much like this one. Although the author is unknown, I am certain Senator BYRD would not only recall it but know it well:

Life is but a stopping place,
A pause in what's to be,
A resting place along the road,
To sweet eternity.

We all have different journeys,
Different paths along the way,
We all were meant to learn some things,
But never meant to stay.

Our destination is a place,
Far greater than we know.
For some the journey's quicker,
For some the journey's slow.

And when the journey finally ends,
We'll claim a great reward,
And find an everlasting peace,
Together with the Lord.

My wife Diana joins in sending our heartfelt sympathy to his family and many friends and for all the people who worked for him and with him over the years. We will miss him—the knowledge he had, the institutional memory he had, the experiences and history he had been a part of and in many instances was the main participant—the leader. Probably only once in the history of a country does someone like this come along. If he were here, he would deny it but be pleased if we noted the similarity of what he had done to what had been done in the ancient Roman Senate about which he often talked.

In the end for Senator BYRD it was never about how much time he spent in the Senate or on Earth but how well he used the time he was given.

I yield the floor.

Mr. CONRAD. Mr. President, I rise to talk about the loss of our senior colleague, Senator ROBERT C. BYRD. Senator BYRD, I had the privilege and honor of serving with for over 24 years in the Senate. I believe this body has lost a giant.

For more than five decades, ROBERT C. BYRD served his country, fought to protect the institution of the Senate, and worked tirelessly for the people of West Virginia. The people of West Virginia were never very far from the mind of ROBERT C. BYRD. I know because I worked with him every day for 24 years. Senator BYRD and his passing leave a tremendous void for this body and for the Nation. He will be greatly missed.

Senator BYRD was a great man, an exceptional person, somebody who had lost his parents and, through sheer will, made himself into a great man. He was a legend in the Senate, the longest serving Senator in the history of the United States and the longest serving lawmaker in congressional history. The people of West Virginia elected him to the Senate an amazing nine times and three times before that to the House of Representatives. He served in almost every leadership post in the Senate, including twice as majority leader and for almost two decades as chairman of the Appropriations Committee. He took an incredible 18,500 votes, a record which will never be broken. At least that is my forecast. I do not know how anybody will ever break a record of 18,500 votes.

Senator BYRD may be remembered most as the protector of the institution of the Senate. This is an institution he loved. More than that, this is an institution he revered as part of the constitutional structure of this country. He believed it had a special place in defending the Constitution of the United States. He believed it played a special role in preventing unwise legislation from becoming law, and he believed it deeply.

He knew more about Senate history and Senate rules and procedures than any other Member, and he used that knowledge skillfully to defend this institution and to ensure it continued to function in a manner consistent with what the Founding Fathers intended. Senator BYRD did not come to those beliefs lightly. He came to those beliefs after the most thorough and very rigorous study of our history. He was a master orator. How many of us can remember Senator BYRD coming to this floor and having Members come to the floor to listen to him because very often his speeches were a history lesson—and not just drawn from American history but from world history, going back to the Roman Empire? When he was in really high excitation, he loved to go through the various Roman emperors and what brought them down, what led to the decline of the Roman Empire, and what lessons we could draw from that.

His speeches were riddled with quotes from great leaders, references to American history and law, and descriptions of that ancient Roman Senate—much of it from memory. How many times did I hear Senator BYRD stand in that spot or in the leader's spot and recite from memory a lengthy poem or a speech from history? What a remarkable, remarkable man. The extent and the breadth of his knowledge was truly amazing.

Senator BYRD was also an expert on budget matters. In fact, he was one of the principal authors of the 1974 Budget Act which established the congressional budget process. He created and vigorously defended the Byrd rule, which bears his name—a budget rule designed to stop the abuse of the fast-track reconciliation process.

Let me just remind my colleagues of something Senator BYRD did during the Clinton administration when the administration had a health care proposal that was bogged down. It could not pass because it would require 60 votes in the Senate, and there were not 60 votes to be had. The administration wanted to use the reconciliation process, the fast-track process that allows legislation to be passed with only a simple majority. Senator BYRD said no, under no circumstances would he permit that to happen because he believed that was a violation of the whole basis of the reconciliation process which he had been involved in and which he had helped design and which was put in law solely for deficit reduction, in his view. He believed any other use was an abuse of the process—the process of reconciliation. So he said no to the President of his own party on that President's No. 1 domestic priority.

There is a lesson in that for all of us. When we were in the midst of the consideration of using the reconciliation process for that purpose during the Clinton administration years, Senator BYRD told me, as a member of the Budget Committee: Senator, always remember partisanship can go too far. Our obligation, our first obligation, is to the Nation and to this institution. If that means we have to disagree with the President of our own party, so be it.

I hope colleagues learn from that lesson as well. Partisanship can go too far.

As the Budget Committee chairman, I had the privilege and honor of working particularly close with Senator BYRD after he joined the committee in 2001. The original idea of the Budget Committee was that the chairman of the Finance Committee would serve there, the chairman of the Appropriations Committee would serve there, and the chairmen of other relevant major committees would serve there so that the Budget Committee would put together the priorities of the United States. Senator BYRD had an acute understanding of that history.

But also Senator BYRD never forgot who sent him to Washington. He tenaciously fought for West Virginia throughout his career and ensured his small, rural State had a powerful voice in the Halls of the Capitol. He never forgot where he came from. I remember well his exchange at a Budget Committee hearing in 2002 with then-Treasury Secretary Paul O'Neill, and Senator BYRD proudly and emotionally described his own humble upbringing because Senator BYRD came from very straightened circumstances. He came from a very modest background. He was an orphan. In fact, he carried a name which was not his birth name. His birth name was a different name than ROBERT C. BYRD. But when relatives took him in, they gave him their family name.

ROBERT C. BYRD remembered those earliest days. He remembered what it was to struggle. He remembered what it was to have very little. He remembered what it was to wonder where your next meal was coming from and whether you were going to have a roof over your head. Senator BYRD remembered, and he was faithful to those memories.

Senator BYRD loved his wife Erma. He loved his daughters Mona and Marjorie and his grandchildren and great-grandchildren.

I want to say to the members of the family, Senator BYRD was intensely proud of you. I hope the children and grandchildren will get that message, that Senator BYRD was intensely proud of each and every one of you. He spoke about you often and in loving terms, and you should know that.

Of course, we all know he loved his little dog Billy, and he loved his dog Trouble. In fact, I think he had multiple dogs named Trouble.

Senator BYRD loved West Virginia, he loved this institution, and he loved our country. I am deeply saddened by the passing of Senator BYRD. His immense knowledge and his spirit will be missed. His values will be missed. But I am comforted in knowing that our friend ROBERT is now reunited with his beloved wife Erma. I know his legacy will live on in this body and this Nation forever.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Mr. President, during a recordbreaking six decades of public service, Senator BYRD served this Nation with diligence and spirit. As a legislator, Senator BYRD had many notable qualities, particularly his legendary oratory skills and his masterful knowledge of Senate procedure. Having authored a four-volume history of this Chamber, he understood its nuances and intricacies, and he was an articulate spokesman for protecting procedural rules.

Senator BYRD kept a copy of the Constitution in his pocket, and he could recite it from memory. He was always first to remind us that the Framers intended the Senate to be different from the House of Representatives and to stand as a bastion of individual and minority rights. He celebrated these distinctions serving as they do the fundamental principle of checks and balances within the legislative branch.

At a recent Rules Committee hearing, Senator BYRD said:

> The Senate is the only place in government where the rights of a numerical minority are so protected. The Senate is a forum of the States, where regardless of size or population, all States have an equal voice. . . . Without the protection of unlimited debate, small States like West Virginia might be trampled. Extended deliberation and debate—when employed judiciously—protect every Senator, and the interests of their constituency, and are essential to the protection of the liberties of a free people.

Senator BYRD's insights, expertise, and constitutional scholarship will truly be missed. They are a great part of his legacy, one that I hope will be honored for generations.

On a personal note, I will mention that while Senator BYRD and I did not share a perspective on many matters of public policy, we had a common appreciation for bluegrass music. I always enjoyed talking with him about that subject. He was a talented fiddler, playing on stage, on television, and while campaigning for office. He even recorded an album entitled ''Mountain Fiddler.'' He gave me a copy, and I was very impressed with his skill.

ROBERT BYRD's knowledge, his hard work, his high spirit, and dedication to the people of West Virginia will always be remembered. My wife Caryll and I extend our thoughts and prayers to his family.

Mr. BAUCUS. Mr. President, I, too, wish to say some words on the passing of our good friend and former leader, ROBERT C. BYRD.

It is difficult to sum up in words the thoughts and feelings one has for a departed friend whom one has known so long. I had the pleasure of serving with Senator BYRD my entire career in the Senate. I knew, I liked, and I respected ROBERT C. BYRD for more than 30 years.

It is doubly difficult to put into words thoughts that adequately reflect such a presence in the Senate. ROBERT C. BYRD was a singular Senator. He was a Senator's Senator. There was no title he prized more than that of ''Senator.''

When I came to the Senate, ROBERT C. BYRD had succeeded my mentor, Mike Mansfield, as majority leader. As ROBERT BYRD was fond of noting, he served as majority leader and then minority leader and then back as majority leader. He saw the leadership of the Senate from both sides, and his experience seasoned his leadership.

As proud as he was to earn the title of ''Senator,'' he was even more proud that as a Senator he represented the people of his State. I deeply believe that is one of the finest things one can say about a fellow Senator. For more than 50 years, he was a strong voice for the people of West Virginia.

ROBERT BYRD was a strong voice for democracy. He knew the rules of the Senate better than any person alive. He fought to preserve the traditions and customs of what he truly believed is the world's greatest deliberative body.

As my colleagues know, ROBERT BYRD cast more votes than any other Senator in the history of our Republic. I can recall when he cast his 18,000th vote. That vote just happened to have been on a motion to invoke cloture on an amendment offered by this Senator. The Senate did not invoke cloture that day. That is the way the Senate's rules often work. No matter the outcome, Senator BYRD was foremost in the defense of those rules. And Senator BYRD was foremost in the defense of the Constitution of the United States.

Senator BYRD was a student of history more than any other Senator. Those of us who were here will not soon forget Senator BYRD's series of addresses to the Senate on the history of the Senate. And those of us who were here will not soon forget his series of addresses on the Senate of the Roman Republic. He knew that Senate too.

Senator BYRD was a teacher. I can recall meeting with Senator BYRD on a highway bill. He and I both long believed passionately in the importance of our Nation's highways. At this one occasion, I recall being impatient about enacting the highway bill on which we were working. I can also recall the sage advice Senator BYRD gave me about the process, about the procedures, and about the personalities of how to get that bill through the Senate. As I look back on that meeting, I think of all the occasions Senator BYRD took the time to teach others of us about the Senate. He taught his fellow Senators. He taught visiting dignitaries from other countries.

I might add parenthetically that it was not too many years ago when he was visiting Great Britain with some Senators and meeting with some Parliamentarians in Great Britain, and the subject of British monarchs came up, and it was only Senator BYRD who knew them all. He stood up, and he gave the name of every British monarch and the dates they served, up to the present. No other person in the room, including the members of the British Parliament, could do so. ROBERT C. BYRD did.

He taught class after class of Senate pages.

ROBERT BYRD will leave a legacy in the laws of the United States. He will leave a legacy in the rules and precedents of the Senate, and he will leave a living legacy in all the people who learned about the Senate at the knee of this great master.

ROBERT BYRD was an orator. One might say he was the last of a breed. He spoke in a style that recalled his roots before microphones and amplification. He spoke memorably. He spoke like orators used to speak.

Many of us recall celebrated speeches of ROBERT C. BYRD. I will read an extended quotation from one speech that

sums up ROBERT BYRD's strong feelings for the Constitution and the Senate he loved so well.

On October 13, 1989, many of us gathered to hear ROBERT C. BYRD speak. This is what ROBERT C. BYRD said:

Mr. President, I close by saying, as I began, that human ingenuity can always find a way to circumvent a process. . . . But I have regained my faith. We are told in the Scriptures: ''Remove not the ancient landmark, which thy fathers have set.''

The Constitution is the old landmark which they have set. And if we do not rise to the call of the moment and take a stand, take a strong stand against our own personal interests or against party interests, and stand for the Constitution, then how might we face our children and grandchildren when they ask of us as Caesar did to the centurion, ''How do we fare today?'' And the centurion replied, ''You will be victorious. As for myself, whether I live or die, tonight I shall have earned the praise of Caesar.''

And ROBERT C. BYRD concluded:

As [Aaron] Burr bade goodbye to the Senate over which he has presided for 4 years, this is what he said. And I close with his words because I think they may well have been written for a moment like this. He said: ''This House is a sanctuary; a citadel of law, of order, and of liberty, and it is here—it is here—in this exalted refuge—here, if anywhere, will resistance be made to the storms of political phrensy and the silent arts of corruption; and if the Constitution be destined ever to perish by the sacrilegious hands of the demagogue or the usurper, which God averts, its expiring agonies will be witnessed on this floor.''

So today, Mr. President, I will close my words for my friend, ROBERT C. BYRD, noting that in life he was victorious. As for myself, whether I succeed or not, whether I live or die, today I can count no greater praise than to say I served with ROBERT C. BYRD.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I think the remarks that were given by my colleague from Montana about Senator BYRD were certainly appropriate, and I know anytime we lose one of our Members who has been sitting with us for so long, there is a void to fill.

What I appreciated about Senator BYRD is how much he respected the Senate itself and protected the rights of the Senate against anyone who he believed overstepped the rights of the Senate and the decorum and protocol of the Senate. He was truly a defender of this body. He loved it, and I think we all respected him for that.

REMEMBERING SENATOR ROBERT C. BYRD

Mr. BOND. Mr. President, I rise to say a few words about our departed colleague.

This week the Senate lost its longest serving Member not only of the Senate but of the Congress. More than that, the Nation lost a true servant of the people.

From humble beginnings, Senator BYRD was, first and foremost, a champion for the people of West Virginia. Throughout his many years of service, there has been no greater student, teacher, and protector of the Senate institution. Senator BYRD was not only a guardian of the Senate institution, he was a guardian of the rights our Nation holds dear, which is why his most constant companion was the Constitution of the United States in his pocket.

I had the opportunity, when I first arrived in the Senate in 1990, to work on the acid rain trading provisions in the Clean Air Act. It was known as the Byrd-Bond amendment. We called it the Bond-Byrd amendment back in Missouri. The acid rain trading system has worked because there was technology available. The cost enabled the equitable sharing of the major utilities which had to install expensive equipment that provided more benefit than they needed so they could sell off the other parts of their credits to smaller companies that could not afford to install expensive equipment. That was just a small success for Senator BYRD.

He was a true champion. He will be missed on the Senate floor. My thoughts and prayers are with Senator BYRD's family, his staff, and the people of West Virginia.

Ms. MIKULSKI. Mr. President, I stand today with my colleagues with a very heavy heart to express my condolences to the Byrd family and to the people of West Virginia for losing a great American patriot. It is a very sad day for America, for West Virginia, and for the Senate.

For all of us who knew Senator BYRD, we knew he had five great loves: this country, the Constitution, the Senate, the people of West Virginia, and his beloved wife Erma.

Senator BYRD was my mentor and my teacher. When I arrived in the Senate, I was the first Democratic woman elected to the Senate in her own right. He took me under his wing and taught me the rules of the Senate.

He said to me:

Senator Mikulski, he or she who knows the rules will rule. And you will know how to do it.

His advice to me—when I asked him how to be successful in the Senate—was this:

Senator Mikulski, stay loyal to the Constitution and stay loyal to your constituents and you will do okay.

From the very first day, he wanted me to succeed. He was so welcoming. He made sure I became a member of the Appropriations Committee, and he helped me learn how to use my position to meet the day-to-day needs of my constituents and the long-term needs of our Nation.

Senator BYRD's career was remarkable. We all know the facts: the longest serving Member of Congress in history, the majority leader in the Senate, chairman of the Appropriations Committee, President pro tempore of the Senate, elected nine times to the Senate. Yet he never, ever forgot where he came from. He represented the people of West Virginia.

Born in poverty in the coalfields of West Virginia, raised by an aunt and uncle, he was born with four great gifts: a deep faith, a love of learning, a strong work ethic, and always saluted the fact that he was born in the United States of America, where someone who was, by all intents and purposes, an orphan could become a U.S. Senator. He worked as a gas station attendant, as a meat butcher, and a welder—I might add, a welder in the Baltimore shipyards. He went to night school for college and law school while he was in the Senate.

Senator BYRD wrote and passed many laws, but most important to him was that he was an appropriator. He used his position to help the people of West Virginia, and he did not apologize for that. He brought jobs, roads, and opportunity to one of the poorest States in the Nation. He did not call it pork; he called it opportunity. And this Senator would certainly agree with him.

But Senator BYRD also voted his conscience and encouraged other Members to do the same. In his 18,000 votes, he was most proud of his vote against the Iraq war. He was one of 23 Senators, and I joined him in that vote. At that time, it was deeply unpopular. Those of us who voted against the war were vilified. But we did the right thing, though it was not easy.

If you love the Senate, you love BOB BYRD. He often reminded us that the legislative branch is a coequal part of the government. He fought hard against those who wanted to give up Senate prerogatives, such as the line-item veto. No one understood Senate procedure better and no one protected Senate traditions more than Senator BOB BYRD.

He wanted to pass it on. With the new Senators, he gave each one of us a lecture on the Constitution and gave us a copy of the Constitution. He wanted us to know it and to love it in the way he did. He also taught us the decorum of the Senate—yes, the decorum of the Senate—and how, through our processes and procedures, it was meant to promote civility among us.

To me, as I said, he was a wonderful teacher. I remember going to him when I was ready to offer my first amendment on the floor, and I asked for his advice on how I could present it and how I could not, quite frankly, be rolled. He gave me good, concrete advice. On the day I offered my first amendment, there was Senator BYRD in the background. He was always there. As I said, Senator BYRD always had my back. I was so grateful for having his advice and having his encouragement.

He lived an extraordinary life and left an extraordinary legacy. He stood for citizenship, not partisanship. And maybe that is what we should all do. Follow the Constitution. Stay loyal to our Constitution. Stay loyal to our Constitution and our constituents. Use the rules of the Senate to promote civility and good government. And also make sure that at the end of the day,

we respect the opportunity and greatness of the United States of America.

I mourn the passing of Senator BYRD, but his legacy will live on in the rules and the traditions and the many bills he sponsored.

The people of West Virginia have had great Senators. Senator ROCKEFELLER is a great Senator. And Senator BYRD will always be remembered, that he built a ''bridge to somewhere'' for all of the people of West Virginia.

Mr. LEMIEUX. Mr. President, I see the roses on the desk of our colleague from West Virginia, as I did in the Armed Services Committee meeting I left a few minutes ago and will return to shortly. It makes me think that what we do here on a day-to-day basis seems very small compared to the legacy Senator BYRD has left us over his many years as the longest serving Member of Congress. We will do our best in the time we have to honor his legacy and thank him today and every day going forward for what he has done for this institution. He kept the flame. He understood the importance of this body constitutionally, and he understood that the rules and procedures of this body were its lifeblood and really understood them and recognized them more than anyone else who has served in this Chamber and spent his life's work protecting them and memorializing them. To him, we owe a great commendation.

Ms. STABENOW. Mr. President, I rise today to pay tribute to a great Senator and a friend and mentor of mine, Senator ROBERT C. BYRD. When I look at his desk, a place from which he spoke such powerful words so many times, it is hard to believe he will not be on the floor of the Senate speaking powerfully about what he believed in—the people of West Virginia and the great issues of our day. He will be sorely missed.

He was orphaned as a child and grew up poor. He often told us about his foster father, who was a coal miner, who had to work hard to scrape together food and shelter for their family. He always spoke of working men and women and those who were working hard and having a hard time making ends meet. I know his heart was always with them.

From a young age, Senator BYRD learned the importance of hard work, dedication, and perseverance—skills that would serve him well throughout his long and very distinguished life.

After graduating from high school at the top of his class in 1934, he married his high school sweetheart Erma. Many of us knew her, and those who didn't knew of her because he would speak continually about the love of his life, his sweetheart Erma. After school, he went on to work at a number of odd jobs. He worked as a butcher during the Great Depression, earning less than $15 a week. He worked as a gas station attendant. During World War II, he was a welder in a shipyard in Baltimore. But he never forgot his childhood and where he came from. He knew how education had transformed his own life, and he never stopped trying to give every American that same opportunity.

After high school he couldn't afford to go to college. But after he was elected to the House of Representatives in 1953, he put himself through law school—the only Member of Congress ever to do that while in office. He joked that Erma put three children through school, himself and their two daughters.

His wife was the most important person in the world to him, and I know he was deeply saddened when Erma died in 2006, as were all of us who served in the Senate with him at that time.

He was a great mentor, a great friend, a great advocate for working families of Michigan and of America. I was proud to join with him many times as we fought for American workers, whether they were mine workers in West Virginia or auto workers in Michigan.

He loved West Virginia, the people and the landscape. One of his favorite Bible verses was from the Psalms:

I will lift up mine eyes unto the hills, from whence cometh my help.

In my office I proudly display a painting that Senator BYRD gave to me, which he painted himself while working in Baltimore so he could remember those hills and mountains of his childhood. Today, when I see that painting, I remember that Senator who gave so much for the people of West Virginia and the people of America. I was proud to stand with him as one of the 23—as he reminded me frequently—the 23 who opposed the original war in Iraq and stood up for our men and women who have bravely served us around the world as well.

Senator ROBERT C. BYRD—the Senate is a better place because of him and he will be sorely missed.

Mr. NELSON of Florida. Mr. President, 10 years ago I gave my maiden speech on the floor of the Senate. I was at a desk on the far side of the Chamber. In the course of that speech, I happened to mention that it was my maiden speech. I had been here about a month. I went on. I can even remember the subject. It was the deficit, since we were in a unique position that we actually had a surplus in the Federal Government and I did not want to see that surplus piddled away. I started talking about the budget and why it was necessary to keep the surplus, to utilize the surplus to pay down the national debt over a 10-year period.

Some minutes later, after I had said this was my maiden speech, all of a sudden the doors to the Chamber flung open and in came Senator ROBERT BYRD. As I was giving this first speech on the floor of the Senate, the greatest deliberative body in the world, he went over to his desk—the one that is draped with black cloth, and upon it sits the vase of flowers to note his passing—he sat there and he looked at me and listened to the rest of that oration.

As I concluded, the Senator from West Virginia rose and said: Will the Senator from Florida yield?

And I said: Of course I yield.

He proceeded, off the top of his head, from that incredible, detailed memory, to lay out the history of maiden speeches on the floor of the Senate. He had been back in his office, and he had heard me, in the course of the audio from the television, say this was my maiden speech. He came up and went into this long discourse about the importance of maiden speeches and who were the ones who had given them and how long into their service as a new Senator they had waited to give them.

Later on, as we were debating that budget, the great orator from West Virginia took the floor and began talking about a tax cut the Senate was considering; a tax cut he voted against, and so did this Senator from Florida. The Senator from West Virginia talked about this tax cut that was going to be a staggering $1.6 trillion. This is what the great senior Senator from West Virginia said. ''That is $1,600 for every minute since Jesus Christ was born,'' Senator BYRD declared. He went on to say, ''If we go for this big tax cut . . . that money . . . is gone.''

We all like tax cuts, but what we have to have is a balance of tax cuts and spending cuts, given the position then that we had a surplus, and how to responsibly use that surplus to pay down the national debt. What we have is a reversal of that. We, of course, have a huge deficit because the revenues are not coming in to match the expenditures and, thus, additional problems that have accrued from not listening to the Senator who sat in that black-draped desk. No one else spoke like Senator BYRD or was as original as he was.

As we mark the passing of our dear colleague who, it has been said many times, was the longest serving Federal lawmaker since the founding of the Republic, as we mourn his passing, many will remember the Senator from West Virginia by the numbers and by the records he set. He made history. He brought depth and grace to the Senate. He is forever enshrined as a major part of its history.

I can tell you that 10 years ago, we freshmen had the blessing of being tutored—no, more than tutored; we were students, we were pupils of the master teacher. He taught us the rules, so important to the conduct of business in this body. But he taught us something more. He taught us decorum. He taught us how to preside as the Presiding Officer. He taught us that it is respectful that when you are presiding, you absolutely listen to the speaker. He taught us so much.

He was elected to no fewer than nine terms. He served first in the House for 6 years. He had cast over 18,000 votes. He presided over both the longest session of the Senate and the shortest. We had no fewer than 12 Presidents since he first took office.

But the numbers do not tell the full story. ROBERT BYRD was one of the greatest advocates for just plain folks and especially if they came from West Virginia. He gave them his all, after his first and foremost love, his devotion to his wife Erma. In the spirit of Thomas Jefferson, ROBERT BYRD always put public service ahead of personal fortune.

On my desk in my Senate office, as I would suspect on many other Senators' desks, are copies of Senator BYRD's addresses on the history of the Senate—more than 100 of those speeches delivered over a 10-year period. Those are the only books that are set on my personal desk with book ends of two American eagles. That study has been called the most ambitious study of the Senate ever undertaken. Every day, those books remind me of the living history of this institution and its vital role in our democracy.

Senator BYRD made rare and noble contributions to his family, his friends, his State, his country, and to this Senate. He was, in a living person, the walking history book of the Senate, which he could recite. Now, as he has gone on to the ages, he will be known as the historian of the Senate. And now forever for history, he will be one of the major parts of the Senate's history.

We mourn his passing, we miss him personally, we grieve for his family, and we are thankful there was a public servant who surely the Lord would say: Well done, thy good and faithful servant.

Mr. UDALL of New Mexico. Mr. President, I rise today to join my colleagues as we mourn the death and celebrate the life of a man who touched all of ours; a man who loved his country, loved the Senate, and dedicated his life to preserving its traditions; a man who above all cherished his State and who every day considered it his highest honor to represent her people.

On Monday morning, Senator ROBERT BYRD took his rightful place in our history books as a titan of the Senate. On Thursday we will honor him as his body lies in state in this Chamber where he served longer than any other Senator in our history. Today, we grieve his loss with his family and with the entire country.

My family's history with Senator BYRD goes back many years. My father, before he became Secretary of the Interior, served with Senator BYRD, then Congressman BYRD, in the House of Representatives. A half century later, my father's honor became my own. I am proud to have had the privilege of serving in this Chamber with Senator BYRD, of experiencing firsthand his distinguished service and remarkable career.

Senator BYRD will be remembered for many things. He will be remembered for his historic length of service; for his rise from humble roots to the pinnacles of political power; for his encyclopedic knowledge of Senate rules and procedure; and for his love of his wife of 68 years, Erma.

What I will remember Senator BYRD for is his willingness to stand up and fight for what he believed in. Two of the most pressing issues of the past decade are perfect examples—the wars in Iraq and Afghanistan. From the very beginning, Senator BYRD was a voice of opposition to the Iraq war. He delivered what will become one of his most memorable speeches in the days leading up to the Senate's vote to authorize its funding. He spoke out against a war at a time when any opposition to the President's path meant putting his own political future in jeopardy. But he did not waiver.

Here is part of what he said:

> No one supports Saddam Hussein. If he were to disappear tomorrow, no one would shed a tear around the world. I would not. My handkerchief would remain dry. But the principle of one government deciding to eliminate another government, using force to do so, and taking that action in spite of world disapproval is a very disquieting thing. I am concerned that it has the effect of destabilizing the world community of nations. I am concerned that it fosters a climate of suspicion and mistrust in U.S. relations with other nations. The United States is not a rogue nation, given to unilateral action in the face of worldwide opprobrium.

Eight years and thousands of American lives lost later, his words read as prophetic.

But he didn't stop there. Last year—this time with his party holding the reins of power in both the White House and the Congress—he did the same thing. Seven years had passed, and Senator BYRD was older and more fragile than ever before. None of that stopped him from getting to the Senate floor that day. How did I know this? I had a front row seat as the presiding officer of the Senate that day.

This time, he questioned the proposed buildup of troops in Afghanistan—a proposal I myself had questioned many times as well. Here is what Senator BYRD said:

> I have become deeply concerned that in the 8 years since the September 11 attacks, the reason for the U.S. military mission in Afghanistan has become lost, consumed in some broader scheme of nation-building which has clouded our purpose and obscured our reasoning.

He continued:

> . . . President Obama and the Congress must reassess and refocus on our original and most important objective—namely emasculating a terrorist network that has proved its ability to inflict harm on the United States.

Time will tell if Senator BYRD's concerns about Afghanistan prove as prescient as those he expressed about Iraq almost a decade ago. Time also will tell if we heed those concerns.

What is clear is that Senator BYRD understood the importance of asking the tough questions, regardless of their impact on himself personally or professionally. In this regard, we could all learn a little bit from Senator BYRD.

I know my Senate colleagues will agree with me when I say this institution, this country, this democracy lost a powerful advocate this week, and all of us in this Chamber lost a good friend.

Today I join with my colleagues in expressing my deepest sympathy to Senator BYRD's family for their loss and remembering a man whose legend and legacy will endure beyond us all.

Mr. KAUFMAN. Mr. President, I wish to spend a few minutes talking about a truly great Federal employee, and that is Senator ROBERT C. BYRD.

He personified all the things I try to talk about once a week, because ROBERT BYRD was a Federal employee. ROBERT BYRD was a creature of the U.S. Senate. ROBERT BYRD had his family, and he was a great family man, but the Senate was also his family, and he cared about everybody here.

I remember the first time I ever had contact with Senator BYRD was in 1972. On election day in 1972, JOE BIDEN, a 29-year-old candidate for the U.S. Senate, was elected to the Senate running against one of the most popular officials we ever had in the State of Delaware, a wonderful public servant and Federal employee, Caleb Boggs, who had been a Congressman and Governor before he became a Senator.

Just 6 weeks later, on December 18, when his wife and two sons and daughter were bringing their Christmas tree home, the car was hit by a tractor trailer and Senator BIDEN's wife and daughter were killed.

Shortly after that, my church, St. Mary Magdalen in Wilmington, DE, had a memorial service for his wife and daughter. I will never forget, it was a dark night. It was in December. It was just an ugly night out. The church was full, and it was a very moving ceremony. After it was over, I found out that Senator ROBERT BYRD had driven himself to Wilmington, DE, come into the church, stood in the back of the church for the entire service, and then turned around and drove home. And there are hundreds of stories like that where ROBERT BYRD demonstrated his great love for the Senate and for the people of the Senate.

There are traditions he instilled in the Senate and traditions he kept alive in the Senate. I remember when he was majority leader, I will tell you what, there were lots of things that just never happened because Senator BYRD was going to make sure we stuck to the traditions of the Senate. So I wish to recognize Senator ROBERT BYRD as a great, great Federal employee.

Mr. FEINGOLD. Mr. President, I join all Americans in mourning the passing of Senator ROBERT C. BYRD. For more than five decades, Senator ROBERT BYRD served his home State, his beloved West Virginia, with a dedication that is unsurpassed in our Nation's history.

Senator BYRD was legendary for that commitment to his State, for his outstanding service as both the Senate's majority and minority leader, and for his staunch defense of the U.S. Constitution throughout his many years of public service.

When I arrived in the Senate, Senator BYRD was in the midst of his sixth term, President pro tempore of the Senate, chairman of the Appropriations Committee and already a giant of the institution. It was an honor to work beside him in this body.

Senator BYRD was the longest serving Member of Congress in our Nation's history, elected to an unprecedented ninth term in the Senate in 2006. It was a long road from his humble beginnings in rural West Virginia to his long and distinguished service here. Along the way, Senator BYRD's life was characterized by hard work and a steely determination.

And of all the things he was determined to do, perhaps the most significant was his determination to get an education. Senator BYRD prized education, and fought to get one for himself despite difficult odds. That long effort culminated in Senator BYRD earning his law degree, after 10 years of night classes as he served in Congress by day. He was 46 years old when he graduated, and President John F. Kennedy presented him with the diploma.

He shared that love of learning as a champion of continuing education, and through the establishment of the Robert C. Byrd Honors Scholarship Program, which provides scholarships to high school seniors who show promise of continued excellence in postsecondary education.

Senator BYRD was dedicated to the Senate and served an invaluable role as a historian of the institution. He wrote a distinguished multivolume history of the Senate, and also authored several other books. In fact when I drafted my proposed constitutional amendment on Senate vacancies, I consulted one of his volumes on Senate history. He had written a chapter on the 17th amendment to the Constitution that was very helpful in putting the issue of Senate vacancies in a historical context.

As a student of Senate history, both the U.S. Senate and the Roman Senate, he was also a passionate defender of the powers of the legislative branch. One would expect no less of a man so devoted to our Constitution. Senator BYRD was eloquent as he spoke about the need to stand up for our Constitution and its principles here in the Senate, and faithfully carried a copy of the Constitution with him every day. He was very proud of his efforts to encourage students to learn more about this document and our great democracy.

In Senator BYRD's lifetime of leadership, he worked on so many important issues. As the Senate's majority leader, he helped to lead the fight against the undue influence of money in politics in an effort with then-Senator David Boren of Oklahoma. Together they sponsored campaign finance legislation and worked to pass it in what has been described as ''one of the most extraordinary exhibitions of perseverance on the Senate floor, as BYRD led the Senate through eight unsuccessful votes to end a filibuster.'' While that legislation stalled, it was one of the efforts that paved the way for later reforms, and I am grateful for his efforts.

I respected him for that, and for so many of the principled stands he took during our service together, including his opposition to the Iraq war. He brought tremendous wisdom and insight to our work here and I know how much those gifts will be missed.

ROBERT C. BYRD was a man who sought to learn every day of his life, and in turn taught all of us a great deal. He taught us about our nation's history, about the people he represented, and about the institution of the Senate he loved. While Senator BYRD's passing is a loss for the nation, his legacy of innumerable achievements will live on for many, many years to come. My thoughts are with his family and many friends today.

Mr. JOHNSON. Mr. President, on Monday, we lost a colleague and dear friend with the passing of Senator ROBERT C. BYRD. My deepest sympathy goes out to his family, friends, dedicated staff, and the people of West Virginia. Senator BYRD was truly a giant among Senators. His presence will be greatly missed.

Few have had the command of history that Senator BYRD possessed, and I suspect none have matched his knowledge of the U.S. Constitution and the Senate in which he served. Senator BYRD never passed up the opportunity to give a history lesson, delivering impassioned speeches peppered with poetry, lessons from ancient Rome, and his unique understanding of the workings of this Chamber. He also never forgot to remind us of the importance of Mother's Day, the beauty of the first day of spring, or how devoted he was to his beloved wife Erma.

Senator BYRD held fiercely to his beliefs. Yet, he had the humility and wisdom to change beliefs he realized were wrong. History will remember Senator BYRD, not only for his numerous records of service, but for his unwavering commitment to education, public infrastructure, and the State of West Virginia.

This year, 19 outstanding high school students from my home State of South Dakota joined the ranks of thousands of Robert C. Byrd Honors Scholarship recipients that are furthering their education, in part, because of Senator BYRD's belief in the value of higher education. He embodied that belief in his own life, earning a law degree while serving in Congress and striving to continue learning each day.

Senator BYRD also understood the value of investing in the small, sometimes overlooked communities of his State. Where others saw ''pork,'' he saw jobs, opportunities, and hope for hard-working Americans. He understood—better than most—that without roads, clean water, and reliable utilities, rural communities will struggle to reach their full potential.

Though he would later ''walk with Kings, meet Prime Ministers and debate with Presidents,'' Senator BYRD never forgot his roots in the hills of West Virginia. West Virginia lost a true champion, but his mark on the State will last far longer than even his half century in Congress.

I am honored to have served with Senator BYRD. This institution is a better place for his time here.

PROTECTING AFGHAN CIVILIANS

Mr. LEAHY. Mr. President, as we take stock of the changes made last week by President Obama to the military command in Afghanistan, there is a related issue that has been discussed in the press that is of particular concern to me.

I believe the President's decision to replace General McChrystal was the right decision. The published comments of the general and his aides were unquestionably insubordinate. They portrayed extraordinarily poor judgment and disrespect, and a deterioration of discipline that was unacceptable.

But putting aside those matters, I believe General McChrystal's command was notable for his recognition, to an unprecedented extent, of the importance of protecting the lives of innocent Afghan civilians for the safety of U.S. troops and to improve the chances of success of the mission.

Before General McChrystal's tenure, the need to do more to reduce civilian casualties was discussed, particularly after each incident when civilians were inadvertently killed or injured. But far too little was done about it. The frequent reliance on air power in areas where civilians were present caused many innocent casualties. Whole villages were destroyed. Wedding parties were wiped out. Night raids also often caused civilian deaths or injuries, as well as widespread anger and resentment towards U.S. troops who were perceived as disrespectful of Afghan customs.

General McChrystal implemented stricter rules of engagement to reduce these tragic incidents. While in some cases these rules have limited our troops' actions, they do not prevent soldiers from acting in self-defense when there is a real or perceived threat. There is no basis, as far as I am aware, military or otherwise, to criticize these efforts to protect civilian lives. Indeed, I believe more can still be done, particularly to prevent such unfortunate incidents at roadblocks and checkpoints, where those killed have, with few exceptions, turned out to be unarmed civilians who posed no threat. Their deaths caused great suffering for their families, and incited support for the Taliban in their communities.

Reducing civilian casualties, and by doing so winning the support of the Afghan people, is essential. In late April, the people of the town of Gizab, north of Kandahar, took up arms and ousted the Taliban. This is encouraging, but it is unlikely to continue to occur if the

United States and our ISAF partners are perceived by the civilian population as another invader.

I have my own concerns with the President's strategy in Afghanistan, which I will discuss at a later time. But today, as General Petraeus prepares to assume command of U.S. forces in Afghanistan, it is fortunate, I believe, that he knows from Iraq that winning the support and respect of the local population means much more than the cliche it has become. Progress in Afghanistan depends on it.

RECOGNIZING THE FRATERNAL ORDER OF EAGLES

Mr. HARKIN. Mr. President, one of the great joys of my job as Senator is working with non-profit organizations dedicated to improving the lives of all Americans. I would like to take a moment to salute one such organization, the Fraternal Order of Eagles.

The Fraternal Order of Eagles is an international nonprofit organization with over 1 million members worldwide. Established in 1898, the Fraternal Order of Eagles has truly made the lives of people across the world better by raising millions of dollars to combat cancer and heart disease, help children living with disabilities, and support the elderly.

Two years ago, over 700 delegates representing the Fraternal Order of Eagles voted by unanimous consent to commit $25 million to the University of Iowa to create the world's premier diabetes research center. Already a world leader in medical and diabetes research, the University of Iowa has the unique ability to fully maximize every dollar being donated. But that isn't the only reason the Fraternal Order of Eagles selected the University of Iowa to receive these funds; both the Eagles and the University of Iowa have had a tradition of helping those in their communities and beyond for over a century.

One of the missions of the Fraternal Order of Eagles is to lessen the ills of mankind, and I can't think of a more appropriate way to do that than to join in the fight against diabetes. In the United States, over 23 million children and adults already suffer from the diabetes, with an additional 1.6 million adults being diagnosed every year. It is said that an ounce of prevention is worth a pound of cure, and perhaps nowhere is that more applicable than in the case of diabetes. Unlike other chronic diseases which do not appear until later in life, diabetes does not spare the young. Almost 200,000 Americans below the age of 20 suffer from diabetes. It was recently predicted that one in three children born in 2000 will eventually suffer from diabetes if current rates continue. The health care cost associated with caring for these patients is enormous, amounting to over $170 billion in 2007. But the costs to patients and their loved ones who suffer from diabetes are even greater. Patients with diabetes are subject to an increased risk of blindness, kidney failure, high blood pressure, need for amputations, nerve damage, and premature death. The potential benefits of a cure for diabetes are truly outstanding, and that is why donations such as the one made by the Fraternal Order of Eagles are so important to improving the lives of all Americans.

Martin Luther King Jr. once said, ''Life's most persistent and urgent question is: What are you doing for others?'' I think it is quite clear that the Fraternal Order of Eagles is doing a great deal. For this donation and for their other good works, I commend the Fraternal Order of Eagles.

HIRA

Mr. BURRIS. Mr. President, a few months ago, my colleagues and I passed a landmark health insurance reform bill.

President Obama signed it into law, and together we ushered in a new era of transparency, accountability, and cost savings for the American people.

Now, these reforms will go a long way towards fixing our broken health care system.

They will restore responsibility to the insurance market, and impose commonsense regulations, to ensure that every American can get a fair deal.

Some of these provisions have already gone into effect. Others will take time to implement correctly.

But as we move swiftly to translate this legislation into reality, we need to be mindful of those who would take advantage of this period of transition.

Already, there are reports that some health insurance companies have drastically increased their rates, using our reform law as an excuse.

I recently heard from Charles, a small business owner from Plano, IL, who reported that his employees will see their premiums go up by an average of almost 28 percent next year.

And some folks will have to pay an arbitrary increase of 35 percent—even though their benefits haven't changed yet.

That is because a few big insurance companies have chosen to hike up their profits before our health reform law requires them to improve their services as well.

Now, there is nothing wrong with making an honest buck.

But these abusive increases will make it harder for ordinary folks and small businesses to get coverage in the short term.

There is no question that they violate the spirit of our reform law—so I believe we need to take action.

It is time to close this loophole, so big companies must compete with others in an open marketplace—and so they can be held accountable for unreasonable rate hikes.

That is why I am proud to support the Health Insurance Rate Authority Act.

This legislation would require insurance companies to justify major increases in their premiums—a power that already resides with regulators in a handful of States.

Our bill would merely bring similar regulatory authority to a national level, in response to numerous claims of abuse all across the country.

Mr. President, this wouldn't put insurers out of business or prevent them from making an honest profit, but it would increase transparency, restore accountability, and ensure that these corporations can remain solvent.

In my home State of Illinois, some insurers must already supply rate increase information to the State department of insurance.

But under current law, regulators are powerless to rein in obvious abuses when they occur.

And as a result, small business owners like Charles—and countless folks in the individual market—are held hostage to the same corporate agendas that led us to pass a health reform law in the first place.

This is unacceptable. We need to pass the Health Insurance Rate Authority Act, to keep insurance providers in check until the full effects of the new law have taken hold.

I would urge my colleagues to join with me in standing up to the insurance giants.

Let's give regulators the authority to approve or deny excessive rate hikes, so we can make sure every American can get a fair deal—starting today.

REMEMBERING DONALD J. RUHL

Mr. BARRASSO. Mr. President, this weekend, the citizens of Greybull, WY gather to dedicate a monument at the Donald J. Ruhl Memorial Cemetery. This monument is the culmination of the hopes, dreams and hard work of dozens of people in the community. A true American hero was laid to rest in their cemetery, and these committed individuals wanted his memory to be honored forever. Donald served our Nation during World War II as a marine. His bravery and ultimate sacrifice earned him our Nation's most distinguished recognition, the Medal of Honor.

Donald J. ''Johnny'' Ruhl, enlisted in the Marine Corps Reserve on September 12, 1942. Immediately going on active duty, the new recruit used his lifelong experience with firearms to qualify as a sharpshooter, and demonstrated his endurance by becoming a combat swimmer. Following his exemplary performance at boot camp, Private Ruhl volunteered for Parachute Training School. At the conclusion of this 5-week training, Ruhl was promoted to private first class and assigned to further training in New Caledonia.

He first saw combat at Bougainville, but it was his actions at Iwo Jima that truly demonstrated his heroism. In February 1945, Johnny departed from

Saipan aboard the USS LST 481, headed for the shores of Iwo Jima. Private First Class Ruhl displayed his courage from the onset of D-day at Iwo Jima on February 19, 1945. Johnny recognized his role early on in the battle attacking a group of eight Japanese soldiers single-handedly. Private First Class Ruhl confirmed his valor and bravery by risking his own life to rescue a marine wounded ahead of the front line—ensuring that the man was transported to an aid station, regardless of the threat to Ruhl.

Ruhl continued to establish his commitment to the cause by returning from the aid station to voluntarily investigate an abandoned Japanese gun emplacement. With boundless courage, he prevented the enemy from regaining possession of the valuable site by occupying the position throughout the night. On February 21, Johnny demonstrated his true selfless nature. As Company E, 2nd Battalion, 28th Marines, 5th Marine Division pushed forward on their quest to capture Mount Suribachi, Private First Class Ruhl along with his platoon guide, pressed their position to the top of a Japanese bunker. As the marines prepared to fire upon the enemy troops, a grenade landed between them. While notifying the platoon guide, Ruhl dove onto the grenade, absorbing the full detonation with his body. This sacrifice saved the lives of all of the nearby marines. Thanks in great part to this selfless act, Company E was able to raise an American flag on the top of Mount Suribachi.

In awarding Private First Class Ruhl the Medal of Honor posthumously, President Truman recognized Johnny's efforts, stating ''An indomitable fighter, PFC Ruhl rendered heroic service toward the defeat of a ruthless enemy.'' . . . Certainly Truman was correct when he continued praising Ruhl's dedication to our Nation and his fellow marines, ''. . . his valor, initiative and unfaltering spirit of self-sacrifice in the face of almost certain death sustained and enhanced the highest traditions of the United States Naval Service.''

PFC Donald J. Ruhl embodied the Marine Corps motto, Semper Fidelis, committing his life, and his death, to loyalty to the Corps and his country. The community of Greybull has done well to recognize this hero. They have demonstrated their faithfulness to his memory by renaming his eternal resting place. His gift to our country will never be forgotten—in passing his memorial, we will forever know that Donald J. Ruhl gave all so our country could remain free.

NATIONAL HEREDITARY HEMORRHAGIC TELANGIECSTASIA MONTH

Mr. JOHNSON. Mr. President, I rise today in recognition of National Hereditary Hemorrhagic Telangiecstasia—HHT—Month to raise awareness of this public health threat and encourage greater prevention, diagnosis and treatment efforts.

Hereditary Hemorrhagic Telangiecstasia, HHT, also referred to as Osler-Weber-Rendu Syndrome, is a complex genetic blood vessel disorder that affects approximately 70,000, or 1 in 5,000, Americans. It is characterized by irregular blood vessel growths, or telangiectases, in the nasal mucosa, mouth, gastrointestinal tract, and skin of the face and hands, as well as artery-vein malformations—AVMs—in the major organs including the lungs, brain, and liver. If left misdiagnosed or untreated, HHT can result in considerable morbidity and mortality.

It is estimated that 20 to 40 percent of debilitating and life-threatening complications and sudden death due to these ''vascular time bombs'' are preventable. Twenty percent of those with HHT, regardless of age, suffer death or disability. HHT has been subject to underreporting for many years. Approximately 90 percent of the HHT population is not yet diagnosed and is at risk for sudden rupture of the blood vessels in major organs in the body, such as the brain and lungs, and other complications due to nosebleeds and gastrointestinal bleeding.

It is my hope that efforts throughout the month of June will increase awareness of HHT and mitigate the preventable health threats posed by this disorder.

ADDITIONAL STATEMENTS

TRIBUTE TO COLONEL CLARENCE S. PARKER

● Mr. CHAMBLISS. Mr. President, I wish to join with my colleague, Senator ISAKSON, today to honor the accomplishments of COL Clarence S. Parker of Valdosta, GA, in the RECORD of the Senate.

For most of his life, Colonel Parker has been a dedicated pilot. In 1940, when the United States was on the brink of war, Colonel Parker was prepared to fight for his loved ones and his nation. A native of Houston, TX, Colonel Parker began his lengthy career in aviation while enrolled as a student at the University of Houston.

After the Japanese attack on Pearl Harbor, Colonel Parker entered the U.S. Army Air Corps in January of 1942. He completed military flight training and was commissioned in September of that year. During World War II, Colonel Parker was an instructor pilot at Waco Army Airfield, primarily in the BT–13 and the P–40 aircraft. He flew during the early phases of the Berlin Airlift, and later ascended to a position of leadership as the chief of flight procedures from 1948 until the end of the airlift. In 1950, he returned to the U.S. to serve at the Pentagon in the U.S. Air Force Headquarters and also at Tyndall Air Force Base in Florida. Following service in Vietnam, he finished his military career as wing commander at Moody Air Force Base in Valdosta, GA, flying T–37 and T–38 aircraft.

Following his retirement in 1971, Colonel Parker made Valdosta, GA, his home. He became heavily involved in the operations and upkeep of the Valdosta Municipal Airport and began a second career in banking. During his tenure as chairman of the airport authority from 1987 to 2005, he was instrumental in earning funding for several major construction projects, including a project to lengthen the main instrument runway to 8,002 feet.

Colonel Parker remains an active pilot with over 7,500 hours of flight time. He continues to work with the Valdosta-Lowndes Chamber of Commerce to benefit the flying activities at both Moody Air Force Base and in the Valdosta civil aviation community. Additionally, he remains a consultant to the Valdosta-Lowndes County Airport Authority.

Colonel Parker has enjoyed a career that is extraordinary in length, quality of service, and leadership. For these reasons, he has been selected to receive the Federal Aviation Administration's Wright Brothers Master Pilot Award. The Wright Brothers Master Pilot Award recognizes pilots who have maintained safe flight operations for 50 or more consecutive years. We can think of no higher award for a pilot, and we are proud to recognize Colonel Parker for his receipt of the Wright Brothers Master Pilot Award.●

TRIBUTE TO SARAH MARGARET AKER

● Mr. THUNE. Mr. President, today I recognize Sarah Margaret Aker, an intern in my Washington, DC, office, for all of the hard work she has done for me, my staff, and the State of South Dakota over the past several weeks.

Sarah is a graduate of Sturgis Brown High School, Sturgis, SD. Currently, she is attending the University of South Dakota, where she is majoring in chemistry and political science. She is a hard worker who has been dedicated to getting the most out of her internship experience.

I would like to extend my sincere thanks and appreciation to Sarah for all of the fine work she has done and wish her continued success in the years to come.●

TRIBUTE TO KEATON JACE BAUMAN

● Mr. THUNE. Mr. President, today I recognize Keaton Jace Bauman, an intern in my Washington, DC, office, for all of the hard work he has done for me, my staff, and the State of South Dakota over the past several weeks.

Keaton is a graduate of Huron High School in Huron, SD. Currently, he is attending the University of South Dakota, where he is majoring in history and political science. He is a hard

worker who has been dedicated to getting the most out of his internship experience.

I would like to extend my sincere thanks and appreciation to Keaton for all of the fine work he has done and wish him continued success in the years to come.●

TRIBUTE TO ABIANE CAMPBELL

● Mr. THUNE. Mr. President, today I recognize Abiane Campbell, an intern in my Washington, DC, office, for all of the hard work she has done for me, my staff, and the State of South Dakota over the past several weeks.

Abiane is a graduate of Yankton High School in Yankton, SD. Currently, she is attending the Winona State University, where she is majoring in business administration and paralegal studies. She is a hard worker who has been dedicated to getting the most out of her internship experience.

I would like to extend my sincere thanks and appreciation to Abiane for all of the fine work she has done and wish her continued success in the years to come.●

TRIBUTE TO HAYDEN MATHIAS FUCHS

● Mr. THUNE. Mr. President, today I recognize Hayden Mathias Fuchs, an intern in my Washington, DC, office, for all of the hard work he has done for me, my staff, and the State of South Dakota over the past several weeks.

Hayden is a graduate of Stevens High School in Rapid City, SD. Currently, he is attending the University of Kansas, where he is majoring in business-finance and business-management. He is a hard worker who has been dedicated to getting the most out of his internship experience.

I would like to extend my sincere thanks and appreciation to Hayden for all of the fine work he has done and wish him continued success in the years to come.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Neiman, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sunday nominations and a treaty which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT ON JUNE 28, 2010

ENROLLED BILL SIGNED

Under the authority of the order of the Senate of January 6, 2009, the Secretary of the Senate, on June 28, 2010, during the adjournment of the Senate, received a message from the House announcing that the Speaker has signed the following enrolled bill:

H.R. 2194. An act to amend the Iran Sanctions Act of 1996 to enhance United States diplomatic efforts with respect to Iran by expanding economic sanctions against Iran.

MESSAGES FROM THE HOUSE

At 10:27 a.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3913. An act to direct the Mayor of District of Columbia to establish a District of Columbia National Guard Educational Assistance Program to encourage the enlistment and retention of persons in the District of Columbia National Guard by providing financial assistance to enable members of the National Guard of the District of Columbia to attend undergraduate, vocational, or technical courses.

The message also announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 1510. An act to transfer statutory entitlements to pay and hours of work authorized by the District of Columbia Code for current members of the United States Secret Service Uniformed Division from the District of Columbia Code to the United States Code.

At 2:20 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5611. An act to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes.

At 4:56 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5623. An act to amend the Internal Revenue Code of 1986 to extend the homebuyer tax credit for the purchase of a principal residence before October 1, 2010, in the case of a written binding contract entered into with respect to such principal residence before May 1, 2010, and for other purposes.

The message further announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 33. Joint resolution to provide for the reconsideration and revision of the proposed constitution of the United States Virgin Islands to correct provisions inconsistent with the Constitution and Federal law.

At 5:36 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House agreed to the following resolution:

H. Res. 1484. Resolution relative to the death of the Honorable ROBERT C. BYRD, a Senator from the State of West Virginia.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3913. An act to direct the Mayor of the District of Columbia to establish a District of Columbia National Guard Educational Assistance Program to encourage the enlistment and retention of persons in the District of Columbia National Guard by providing financial assistance to enable members of the National Guard of the District of Columbia to attend undergraduate, vocational, or technical courses; to the Committee on Homeland Security and Governmental Affairs.

H.R. 5116. An act to invest in innovation through research and development, to improve the competitiveness of the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

H.R. 5175. An act to amend the Federal Election Campaign Act of 1971 to prohibit foreign influence in Federal elections, to prohibit government contractors from making expenditures with respect to such elections, and to establish additional disclosure requirements with respect to spending in such elections, and for other purposes.

MEASURES READ THE FIRST TIME

The following bill was read the first time:

H.R. 5623. An act to amend the Internal Revenue Code of 1986 to extend the homebuyer tax credit for the purchase of a principal residence before October 1, 2010, in the case of a written binding contract entered into with respect to such principal residence before May 1, 2010, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–6441. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Pasteuria usgae; Exemption from the Requirement of a Tolerance'' (FRL No. 8831–9) received in the Office of the President of the Senate on June 24, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6442. A communication from the Chief of Research and Analysis, Food and Nutrition Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Supplemental Nutrition Assistance Program: Quality Control Provisions of Title IV of Public Law 107–171'' (RIN0584–AD31) received in the Office of the President of the Senate on June 24, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6443. A communication from the Congressional Review Coordinator, Animal and

Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Asian Longhorned Beetle; Quarantined Area and Regulated Articles'' (Docket No. APHIS–2010–0004) received in the Office of the President of the Senate on June 25, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6444. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Citrus Greening and Asian Citrus Psyllid; Quarantine and Interstate Movement Regulations'' (RIN0579–AC85) received in the Office of the President of the Senate on June 25, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6445. A communication from the Deputy Under Secretary of Defense (Acquisition, Technology and Logistics), transmitting, pursuant to law, a report relative to the Department's purchases from foreign entities for Fiscal Year 2009; to the Committee on Armed Services.

EC–6446. A communication from the Under Secretary of Defense (Acquisition, Technology, and Logistics), transmitting, pursuant to law, a report entitled, ''Federally Funded Research and Development Center's Estimated FY 2011 Staff-years of Technical Effort (STEs) and Estimated Funding''; to the Committee on Armed Services.

EC–6447. A communication from the Assistant to the Secretary of Defense, Nuclear and Chemical and Biological Defense Programs, transmitting, pursuant to law, the Department of Defense (DoD) Chemical and Biological Defense Program (CBDP) Annual Report to Congress for 2010; to the Committee on Armed Services.

EC–6448. A communication from the Chairman and President of the Export-Import Bank, transmitting, pursuant to law, a report relative to transactions involving U.S. exports to Mexico; to the Committee on Banking, Housing, and Urban Affairs.

EC–6449. A communication from the Chairman and President of the Export-Import Bank, transmitting, pursuant to law, a report relative to transactions involving U.S. exports to Mexico; to the Committee on Banking, Housing, and Urban Affairs.

EC–6450. A communication from the Chairman and President of the Export-Import Bank, transmitting, pursuant to law, a report relative to transactions involving U.S. exports to Brazil; to the Committee on Banking, Housing, and Urban Affairs.

EC–6451. A communication from the Chairman and President of the Export-Import Bank, transmitting, pursuant to law, a report relative to transactions involving U.S. exports to Honduras; to the Committee on Banking, Housing, and Urban Affairs.

EC–6452. A communication from the Chief Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Changes in Final Flood Elevation Determinations'' ((44 CFR Part 67)(Docket No. FEMA–2010–0003)) received in the Office of the President of the Senate on June 24, 2010; to the Committee on Banking, Housing, and Urban Affairs.

EC–6453. A communication from the Associate Director, Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Republication of Appendix A to 31 CFR Chapter V'' received in the Office of the President of the Senate on June 15, 2010; to the Committee on Banking, Housing, and Urban Affairs.

EC–6454. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Highly Migratory Species; 2010 Atlantic Bluefin Tuna Quota Specifications'' (RIN0648–AY77) received in the Office of the President of the Senate on June 24, 2010; to the Committee on Commerce, Science, and Transportation.

EC–6455. A communication from the Assistant Secretary for Export Administration, Bureau of Industry and Security, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Revisions to the Export Administration Regulations Based Upon a Systematic Review of the Commerce Control List: Additional Changes'' (RIN0694–AE56) received in the Office of the President of the Senate on June 24, 2010; to the Committee on Commerce, Science, and Transportation.

EC–6456. A communication from the Chief of Staff, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Culebra, Puerto Rico, Charlotte Amalie, and Christiansted, Virgin Islands)'' (MB Docket No. 08–243) received in the Office of the President of the Senate on June 25, 2010; to the Committee on Commerce, Science, and Transportation.

EC–6457. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Revisions to the California State Implementation Plan, Yolo-Solano Air Quality Management District'' (FRL No. 9167–6) received in the Office of the President of the Senate on June 24, 2010; to the Committee on Environment and Public Works.

EC–6458. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Emergency Planning and Community Right-to-Know Act; Guidance on Reporting Options for Sections 311 and 312 and Interpretations'' (FRL No. 9168–7) received in the Office of the President of the Senate on June 24, 2010; to the Committee on Environment and Public Works.

EC–6459. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Disapproval of California State Implementation Plan Revisions, Monterey Bay Unified Air Pollution Control District'' (FRL No. 9169–3) received in the Office of the President of the Senate on June 24, 2010; to the Committee on Environment and Public Works.

EC–6460. A communication from the Chairman, Medicare Payment Advisory Commission, transmitting, pursuant to law, a report entitled ''Report to the Congress: Aligning Incentives in Medicare''; to the Committee on Finance.

EC–6461. A communication from the Program Manager, Office of the National Coordinator for Health Information Technology, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Establishment of the Temporary Certification Program for Health Information Technology'' (RIN0991–AB59) received in the Office of the President of the Senate on June 23, 2010; to the Committee on Health, Education, Labor, and Pensions.

EC–6462. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, (2) reports entitled ''Community Services Block Grant (CSBG) Program Report'' and ''Community Services Block Grant Performance Measurement Report''; to the Committee on Health, Education, Labor, and Pensions.

EC–6463. A communication from the Chairman, Merit System Protection Board, transmitting, pursuant to law, a report entitled ''Prohibited Personnel Practices—A Study Retrospective''; to the Committee on Homeland Security and Governmental Affairs.

EC–6464. A communication from the Secretary, Judicial Conference of the United States, transmitting, legislative proposals relative to the fiscal year 2010 supplemental proposals in the fiscal year 2011 Budget for the Department of Homeland Security; to the Committee on the Judiciary.

EC–6465. A communication from the Deputy Director, National Legislative Commission, The American Legion, transmitting, pursuant to law, a report relative to the financial condition of The American Legion as of December 31, 2009; to the Committee on the Judiciary.

EC–6466. A communication from the Staff Director, U.S. Sentencing Commission, transmitting, pursuant to law, the 2009 Annual Report and Sourcebook of Federal Sentencing Statistics; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mrs. BOXER, from the Committee on Environment and Public Works, without amendment:

S. 3373. A bill to address the health and economic development impacts of nonattainment of federally mandated air quality standards in the San Joaquin Valley, California, by designating air quality empowerment zones (Rept. No. 111–218).

By Mr. KERRY, from the Committee on Foreign Relations, with an amendment in the nature of a substitute:

S. 1382. A bill to improve and expand the Peace Corps for the 21st century, and for other purposes (Rept. No. 111–219).

By Mr. LIEBERMAN, from the Committee on Homeland Security and Governmental Affairs, without amendment:

H.R. 4861. A bill to designate the facility of the United States Postal Service located at 1343 West Irving Park Road in Chicago, Illinois, as the ''Steve Goodman Post Office Building''.

H.R. 5051. A bill to designate the facility of the United States Postal Service located at 23 Genesee Street in Hornell, New York, as the ''Zachary Smith Post Office Building''.

H.R. 5099. A bill to designate the facility of the United States Postal Service located at 15 South Main Street in Sharon, Massachusetts, as the ''Michael C. Rothberg Post Office''.

S. 3465. A bill to designate the facility of the United States Postal Service located at 15 South Main Street in Sharon, Massachusetts, as the ''Michael C. Rothberg Post Office''.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of nominations were submitted:

By Mr. LEVIN for the Committee on Armed Services.

*Army nomination of Gen. David H. Petraeus, to be General.

*Army nomination of Lt. Gen. Lloyd J. Austin III, to be General.

*Army nomination of Gen. Raymond T. Odierno, to be General.

Army nomination of Lt. Gen. Francis H. Kearney III, to be Lieutenant General.

Marine Corps nomination of Brig. Gen. Rex C. McMillian, to be Major General.

Navy nomination of Rear Adm. (lh) Alton L. Stocks, to be Rear Admiral.

Navy nomination of Rear Adm. (lh) William A. Brown, to be Rear Admiral.

Navy nomination of Capt. Elaine C. Wagner, to be Rear Admiral (lower half).

Navy nomination of Capt. Colin G. Chinn, to be Rear Admiral (lower half).

Navy nominations beginning with Capt. Willie L. Metts and ending with Capt. Jan E. Tighe, which nominations were received by the Senate and appeared in the Congressional Record on April 14, 2010.

Navy nomination of Capt. Thomas H. Bond, Jr., to be Rear Admiral (lower half).

Navy nomination of Rear Adm. (lh) Samuel J. Cox, to be Rear Admiral.

Navy nomination of Rear Adm. (lh) Michael S. Rogers, to be Rear Admiral.

Navy nomination of Rear Adm. (lh) David G. Simpson, to be Rear Admiral.

Navy nomination of Rear Adm. (lh) David A. Dunaway, to be Rear Admiral.

Navy nominations beginning with Rear Adm. (lh) Terry J. Benedict and ending with Rear Adm. (lh) Thomas J. Eccles, which nominations were received by the Senate and appeared in the Congressional Record on April 28, 2010.

Navy nomination of Capt. James H. Rodman, Jr., to be Rear Admiral (lower half).

Navy nomination of Capt. Victor M. Beck, to be Rear Admiral (lower half).

Navy nomination of Capt. Gerald W. Clusen, to be Rear Admiral (lower half).

Navy nomination of Capt. Bryan P. Cutchen, to be Rear Admiral (lower half).

Navy nomination of Rear Adm. (lh) Patricia E. Wolfe, to be Rear Admiral.

Navy nomination of Rear Adm. (lh) Donald R. Gintzig, to be Rear Admiral.

Navy nomination of Rear Adm. (lh) Steven M. Talson, to be Rear Admiral.

Navy nomination of Rear Adm. (lh) Lothrop S. Little, to be Rear Admiral.

Navy nominations beginning with Rear Adm. (lh) Garry J. Bonelli and ending with Rear Adm. (lh) Robert O. Wray, Jr., which nominations were received by the Senate and appeared in the Congressional Record on May 24, 2010.

Navy nomination of Capt. Margaret A. Rykowski, to be Rear Admiral (lower half).

Navy nomination of Capt. Gregory C. Horn, to be Rear Admiral (lower half).

Navy nomination of Capt. Paula C. Brown, to be Rear Admiral (lower half).

Navy nomination of Rear Adm. (lh) Scott A. Weikert, to be Rear Admiral.

Navy nominations beginning with Captain Kelvin N. Dixon and ending with Captain John C. Sadler, which nominations were received by the Senate and appeared in the Congressional Record on May 5, 2010. (minus 1 nominee: Captain Luke M. McCollum)

Mr. LEVIN. Mr. President, for the Committee on Armed Services I report favorably the following nomination lists which were printed in the RECORDs on the dates indicated, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar that these nominations lie at the Secretary's desk for the information of Senators.

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

Air Force nominations beginning with Jeremy C. Aamold and ending with Peter W. Zumwalt, which nominations were received by the Senate and appeared in the Congressional Record on March 3, 2010.

Air Force nominations beginning with Mark J. Aguiar and ending with Melinda A. Williamson, which nominations were received by the Senate and appeared in the Congressional Record on April 21, 2010.

Air Force nominations beginning with Verona Boucher and ending with James A. Young, which nominations were received by the Senate and appeared in the Congressional Record on April 21, 2010.

Marine Corps nominations beginning with Adam M. King and ending with James D. Valentine, which nominations were received by the Senate and appeared in the Congressional Record on May 27, 2010.

Navy nomination of Lynn A. Oschmann, to be Captain.

Navy nomination of Diane C. Boettcher, to be Captain.

Navy nominations beginning with Stephen J. Lepp and ending with Melanie F. Obrien, which nominations were received by the Senate and appeared in the Congressional Record on April 26, 2010.

Navy nomination of Caroline M. Gaghan, to be Captain.

Navy nominations beginning with David W. Howard and ending with Carl R. Torres, which nominations were received by the Senate and appeared in the Congressional Record on April 26, 2010.

Navy nominations beginning with Kevin A. Askin and ending with Craig S. Fehrle, which nominations were received by the Senate and appeared in the Congressional Record on April 26, 2010.

Navy nominations beginning with John B. Holt and ending with Christopher R. Stearns, which nominations were received by the Senate and appeared in the Congressional Record on April 26, 2010.

Navy nomination of Jeffrey S. Tandy, to be Captain.

Navy nominations beginning with Russell L. Coons and ending with Scott C. Rye, which nominations were received by the Senate and appeared in the Congressional Record on April 26, 2010.

Navy nominations beginning with Kevin P. Bennett and ending with Paul F. White, which nominations were received by the Senate and appeared in the Congressional Record on April 26, 2010.

Navy nominations beginning with Richard A. Balzano and ending with Mark J. Winter, which nominations were received by the Senate and appeared in the Congressional Record on April 26, 2010.

Navy nominations beginning with John T. Archer and ending with Andrew D. Mcdonald, which nominations were received by the Senate and appeared in the Congressional Record on April 26, 2010.

Navy nominations beginning with Steven T. Beldy and ending with Dan A. Starling, which nominations were received by the Senate and appeared in the Congressional Record on April 26, 2010.

Navy nominations beginning with James D. Beardsley and ending with Christopher S. Zimmerman, which nominations were received by the Senate and appeared in the Congressional Record on April 26, 2010.

Navy nominations beginning with Lloyd P. Brown, Jr. and ending with Vincentius J. Vanjoolen, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with Danny K. Busch and ending with Michael Ziv, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with William S. Dillon and ending with Michael J. Vangheem, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with Nora A. Burghardt and ending with Rick T. Taylor, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with Bruce J. Black and ending with David G. Wirth, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with Chad F. Acey and ending with Steven G. Weldon, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with James S. Biggs and ending with Harold E. Williams, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with Richard W. Haupt and ending with Joseph A. Surette, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with Edward A. Bradfield and ending with Scott E. Organ, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with Brian D. Connon and ending with Erika L. Sauer, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with Conrado K. Alejo and ending with Richard D. Jones, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with Eric D. Cheney and ending with Cynthia M. Womble, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nominations beginning with James A. Aiken and ending with Theodore A. Zobel, which nominations were received by the Senate and appeared in the Congressional Record on April 29, 2010.

Navy nomination of James R. Peltier, to be Captain.

Navy nominations beginning with Joseph C. Aquilina and ending with William M. Wike, which nominations were received by the Senate and appeared in the Congressional Record on May 13, 2010.

Navy nominations beginning with Stephen G. Alfano and ending with Terry D. Webb, which nominations were received by the Senate and appeared in the Congressional Record on May 13, 2010.

Navy nominations beginning with Christopher A. Blow and ending with Linda D. Youberg, which nominations were received by the Senate and appeared in the Congressional Record on May 13, 2010.

Navy nominations beginning with Jeffrey A. Fischer and ending with Tracy V. Riker, which nominations were received by the Senate and appeared in the Congressional Record on May 13, 2010.

Navy nominations beginning with Catherine A. Bayne and ending with Mary A. Yonk, which nominations were received by the Senate and appeared in the Congressional Record on May 13, 2010.

Navy nominations beginning with John D. Brughelli and ending with Polly S. Wolf, which nominations were received by the Senate and appeared in the Congressional Record on May 13, 2010.

Navy nominations beginning with Billy M. Appleton and ending with Mil A. Yi, which nominations were received by the Senate and appeared in the Congressional Record on May 13, 2010.

Navy nominations beginning with Eric M. Aaby and ending with George N. Suther,

which nominations were received by the Senate and appeared in the Congressional Record on May 13, 2010.

Navy nomination of Axel L. Steiner, to be Lieutenant Commander.

Navy nomination of Clifford R. Shearer, to be Commander.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mrs. HAGAN (for herself and Mr. FRANKEN):

S. 3543. A bill to amend title XVIII of the Social Security Act to expand access to medication therapy management services under the Medicare prescription drug program; to the Committee on Finance.

By Ms. MIKULSKI:

S. 3544. A bill to amend the Immigration and Nationality Act to modify the requirements of the visa waiver program and for other purposes; to the Committee on the Judiciary.

By Ms. LANDRIEU:

S. 3545. A bill to require a study of the effect of a 6-month moratorium on new deepwater drilling in the Gulf of Mexico on small businesses; to the Committee on Small Business and Entrepreneurship.

By Mr. SCHUMER:

S. 3546. A bill to create a penalty for automobile insurance fraud, and for other purposes; to the Committee on the Judiciary.

By Mr. NELSON of Florida:

S. 3547. A bill to prohibit price gouging relating to gasoline and diesel fuels in areas affected by major disasters, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CASEY (for himself, Mr. BROWN of Ohio, Mr. KERRY, Mr. LEVIN, Mr. WHITEHOUSE, Ms. STABENOW, Mr. LEAHY, Mr. DODD, Mr. FRANKEN, Mr. BURRIS, and Mr. AKAKA):

S. 3548. A bill to provide for the extension of premium assistance for COBRA benefits; to the Committee on Finance.

By Mr. TESTER (for himself, Mr. BENNETT, Mr. BAYH, and Mr. VITTER):

S. 3549. A bill to amend the effective date of the gift card provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MERKLEY (for himself, Mr. CRAPO, Mr. BAUCUS, Mr. TESTER, and Mr. WYDEN):

S. 3550. A bill to amend the Federal Water Pollution Control Act to establish within the Environmental Protection Agency a Columbia Basin Restoration Program; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FEINGOLD (for himself, Ms. KLOBUCHAR, and Mr. FRANKEN):

S. Res. 573. A resolution urging the development of a comprehensive strategy to ensure stability in Somalia, and for other purposes; to the Committee on Foreign Relations.

By Mr. REID (for himself and Mr. MCCONNELL):

S. Res. 574. A resolution relative to the memorial observances of the Honorable Robert C. Byrd, late a Senator from the State of West Virginia; considered and agreed to.

By Mr. REID (for himself and Mr. MCCONNELL):

S. Con. Res. 65. A concurrent resolution providing for the use of the catafalque situated in the Exhibition Hall of the Capitol Visitor Center in connection with memorial services to be conducted in the United States Senate Chamber for the Honorable Robert C. Byrd, late a Senator from the State of West Virginia; considered and agreed to.

ADDITIONAL COSPONSORS

S. 311

At the request of Mrs. BOXER, the name of the Senator from Illinois (Mr. BURRIS) was added as a cosponsor of S. 311, a bill to prohibit the application of certain restrictive eligibility requirements to foreign nongovernmental organizations with respect to the provision of assistance under part I of the Foreign Assistance Act of 1961.

S. 941

At the request of Mr. CRAPO, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 941, a bill to reform the Bureau of Alcohol, Tobacco, Firearms, and Explosives, modernize firearm laws and regulations, protect the community from criminals, and for other purposes.

S. 1450

At the request of Mr. ENSIGN, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 1450, a bill to enable State homes to furnish nursing home care to parents any of whose children died while serving in the Armed Forces.

S. 1674

At the request of Mr. WYDEN, the name of the Senator from Minnesota (Ms. KLOBUCHAR) was added as a cosponsor of S. 1674, a bill to provide for an exclusion under the Supplemental Security Income program and the Medicaid program for compensation provided to individuals who participate in clinical trials for rare diseases or conditions.

S. 2816

At the request of Mr. BUNNING, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 2816, a bill to repeal the sunset of the Economic Growth and Tax Relief Reconciliation Act of 2001 with respect to the expansion of the adoption credit and adoption assistance programs and to allow the adoption credit to be claimed in the year expenses are incurred, regardless of when the adoption becomes final.

S. 3034

At the request of Mr. SCHUMER, the names of the Senator from Louisiana (Ms. LANDRIEU) and the Senator from Delaware (Mr. KAUFMAN) were added as cosponsors of S. 3034, a bill to require the Secretary of the Treasury to strike medals in commemoration of the 10th anniversary of the September 11, 2001, terrorist attacks on the United States and the establishment of the National September 11 Memorial & Museum at the World Trade Center.

S. 3058

At the request of Mr. DORGAN, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 3058, a bill to amend the Public Health Service Act to reauthorize the special diabetes programs for Type I diabetes and Indians under that Act.

S. 3227

At the request of Mr. HATCH, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 3227, a bill to authorize the Archivist of the United States to make grants to States for the preservation and dissemination of historical records.

S. 3246

At the request of Mr. WYDEN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 3246, a bill to exclude from consideration as income under the Native American Housing Assistance and Self-Determination Act of 1996 amounts received by a family from the Department of Veterans Affairs for service-related disabilities of a member of the family.

S. 3255

At the request of Mrs. LINCOLN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 3255, a bill to amend title XVIII of the Social Security Act to provide coverage for custom fabricated breast prostheses following a mastectomy.

S. 3329

At the request of Mr. LAUTENBERG, the name of the Senator from Colorado (Mr. BENNET) was added as a cosponsor of S. 3329, a bill to provide triple credits for renewable energy on brownfields, and for other purposes.

S. 3434

At the request of Mr. BINGAMAN, the name of the Senator from Maryland (Mr. CARDIN) was added as a cosponsor of S. 3434, a bill to provide for the establishment of a Home Star Retrofit Rebate Program, and for other purposes.

S. 3477

At the request of Mr. WEBB, the name of the Senator from Nebraska (Mr. JOHANNS) was added as a cosponsor of S. 3477, a bill to ensure that the right of an individual to display the Service Flag on residential property not be abridged.

S. 3479

At the request of Mrs. HAGAN, the names of the Senator from California (Mrs. FEINSTEIN) and the Senator from Ohio (Mr. BROWN) were added as cosponsors of S. 3479, a bill to authorize

the Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control and Prevention, to establish and implement a birth defects prevention, risk reduction, and public awareness program.

S. 3541

At the request of Mrs. FEINSTEIN, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. 3541, a bill to prohibit royalty incentives for deepwater drilling, and for other purposes.

S. RES. 554

At the request of Mr. ENZI, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. Res. 554, a resolution designating July 24, 2010, as ''National Day of the American Cowboy''.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. HAGAN (for herself and Mr. FRANKEN):

S. 3543. A bill to amend title XVIII of the Social Security Act to expand access to medication therapy management services under the Medicare prescription drug program; to the Committee on Finance.

Mrs. HAGAN. Mr. President, today, I am proud to introduce the Medication Therapy Management, MTM, Expanded Benefits Act of 2010, with my colleague from Minnesota, Senator FRANKEN.

A recent analysis conducted by the New England Healthcare Institute estimates that the overall cost of medication nonadherence is as much as $290 billion per year. According to a recent article published in the New England Journal of Medicine, over $100 billion is spent annually on avoidable hospitalizations because patients do not take their medications correctly.

Not only does nonadherence cost our system billions of dollars, nonadherence to medication regimens also affects the quality of life for seniors and may lead to early death. The elderly typically take many more prescription medicines than the general population and therefore are at greater risk for problems associated with improper use of medications. For example, the same New England Journal of Medicine article I just reference found that better adherence to antihypertensive treatment alone could prevent 89,000 premature deaths in the U.S. annually.

With as much as one half of all patients in the U.S. not following their doctors' orders regarding their medications, medication therapy management could help reduce some of the wasted health care costs in our system.

North Carolina has implemented some very successful MTM programs.

The Asheville Project, which focuses on diabetes, asthma, and cardiovascular disease, has seen improved health outcomes and significant savings among city employees since it began in 1997. For example, in the Asheville Project's diabetes MTM Project, they have seen a decrease in medical costs of between $1,622 to $3,356 per patient per year; a decrease in insurance claims of $2,704 per patient in year 1 and a $6,502 decrease in year 5; a 50 percent decrease in use of sick days; and increased productivity gains estimated at $18,000 annually.

In 2007, the North Carolina Health and Wellness Trust Fund Commission launched an innovative statewide program, Checkmeds NC, to provide MTM services to North Carolina seniors. During the program's first year, more than 15,000 North Carolina seniors and 285 pharmacists participated. The seniors bring all of their prescriptions, over-the-counter medicines, vitamins and supplements to the pharmacy to be thoroughly reviewed in a one-on-one session. The pharmacist follows up and educates the patient about his or her medication regimen. The program saved an estimated $10 million, and countless health problems were avoided.

During consideration of health care reform, I was pleased to have successfully secured language in the bill that built off these North Carolina models and implemented MTM nationally for seniors suffering from two or more chronic conditions.

The bill I am introducing today takes MTM one step further. Specifically, this bill would expand MTM eligibility to seniors with any chronic condition that accounts for high spending in our health care system, such as heart failure and diabetes. Currently, only 12.9 percent of Part D beneficiaries are eligible under the MTM criteria for multiple chronic conditions. However, of those, more than 85 percent have chosen to participate in the benefit. Clearly this program is very popular and widely utilized by those who are already eligible. By expanding eligibility to more seniors, MTM will certainly result in Medicare savings.

The bill also ensures access to MTM for seniors at a pharmacy or with a qualified health care provider of their choice.

To ensure pharmacists and health care providers are able to provide MTM to seniors, this bill ensures they are appropriately reimbursed for their time and service. This provision will permit pharmacies and other health care providers to spend considerable time and resources evaluating a person's drug routine and educating them on proper usage—all critical components of a successful MTM program.

Finally, this bill would establish standards for data collection to evaluate and improve the Part D MTM benefit.

The value of MTM is widely known and discussed. I am proud that North Carolina is a leader in this arena. Expansion of MTM to more seniors will no doubt improve their overall health, while at the same time reducing waste in our health care system.

I urge my colleagues to support this bill.

Mr. FRANKEN. Mr. President, I am proud today to be joining Senator HAGAN in introducing the MTM Expanded Benefits Act.

We all know that prescription drugs are an essential part of health care. What a lot of people don't know is that only about 50 percent of Americans typically take their medicines as prescribed. This means that too often, the benefits of these important therapies aren't fully realized. According to a recent article in the New England Journal of Medicine, over $100 billion is spent annually on avoidable hospitalizations because patients don't take their medications correctly.

The MTM Expanded Benefits Act would help improve the care for seniors by increasing access to the medication therapy management benefit—also known as MTM—in the Medicare Part D prescription drug program.

Medication therapy management is a proven set of services that helps patients get the best possible results from their medications. MTM services are provided by pharmacists who work with patients and their health care providers to make sure that seniors are taking medications as they should be. Through MTM, patients get focused education to make sure they understand their medications—what conditions the drugs treat and how to avoid drug interactions that can make medications less effective or even dangerous.

It is not uncommon for a Minnesota senior who has diabetes to be taking 10 or more medications that are prescribed by multiple providers. But right now under Medicare, you would have to have at least four chronic conditions before you would become eligible for MTM. That just doesn't make sense to me.

Under the MTM Expanded Benefits Act, seniors with any chronic condition could benefit from MTM. The bill would increase the number of people eligible for MTM, helping more seniors to access the life saving and money-saving services.

Congress recognized the value of MTM when it required Medicare Part D drug plans to offer the service as part of the Medicare Modernization Act of 2003. Furthermore, State Medicaid Programs, including ours in Minnesota, use MTM to maximize the value of their pharmacy benefits. As we reform our health care system and provide insurance coverage to more Americans, it makes sense to ensure that MTM becomes more widely adopted throughout our health care system.

And MTM isn't just good for patient health, it also saves money. A University of Minnesota study showed that when patients were able to consult with a pharmacist to determine their optimal medication regimen, total health expenditures decreased from $11,965 to $8,197 per patient. The reduction in total health expenditures exceeded the cost of providing MTM services by more than 12 to 1. That is huge.

The elderly typically take many more prescription medicines than the general population and therefore are at greater risk for problems associated with improper use of medications. Improving the Medicare MTM benefit will help our Nation's seniors get the most out of their medications while also helping to reduce costs through appropriate medication use and improved outcomes. I urge my colleagues to support the MTM Expanded Benefits Act and help support efforts to improve the prescription drug benefit for Medicare beneficiaries.

By Mr. MERKLEY (for himself, Mr. CRAPO, Mr. BAUCUS, Mr. TESTER, and Mr. WYDEN):

S. 3550: A bill to amend the Federal Water Pollution Control Act to establish within the Environmental Protection Agency a Columbia Basin Restoration Program; to the Committee on Environment and Public Works.

Mr. MERKLEY. Mr. President, I rise to speak to legislation I am introducing today, with my colleagues, Senator CRAPO of Idaho, Senators BAUCUS and TESTER of Montana, and Senator WYDEN, from my home state of Oregon, to protect and restore the Columbia River Basin.

The Columbia River Basin is the great river system that defines the Pacific Northwest. It runs 1,243 miles from Columbia Lake in British Columbia to its mouth at Astoria, OR, the first permanent European settlement west of the Rocky Mountains. Its basin drains 258,000 acres in seven states, including many of great geological provinces of the West: the Yellowstone Plateau; the Rocky Mountains; the volcanic Snake River Plain; Hells Canyon, America's deepest canyon; the basalt plains and high desert of eastern Oregon and Washington; the majestic Columbia River Gorge; the volcanic slopes of the Cascade Mountains; and the temperate rain forests of the Coast Range.

The Columbia River's tributaries are the major rivers of the Northwest. The Snake River, its longest tributary, runs more than 1,000 miles from near the continental divide in Wyoming's Yellowstone Park to its mouth with the Columbia in eastern Washington. The Clark Fork is Montana's largest river by volume, draining much of western Montana and turning into the Pend Oreille River in Idaho before it flows into the Columbia just across the border in Canada.

It is also the lifeblood of our economy and has been the foundation of a trade-based economy stretching back thousands of years, even before European settlement. Today it is the cornerstone of the region's shipping network, with ports dotting the river as far upstream as Lewiston, Idaho, the farthest inland seaport in the west. It was once the world's largest wild salmon run, with as many as 30 million salmon returning to spawn in our rivers, and is still a foundation for much of our commercial and recreational fishing industries and an important source of fish for many of our Indian tribes.

The Columbia River Basin is the backbone of our energy system, with a network of dams that provide the majority of the region's electricity, more electricity than any other river in the country generates. Indeed, when we measure generating capacity, we talk about 100- and 200-Megawatt capacity wind farms and we talk about 600- and 800-Megawatt coal plants. Well, the Grand Coulee dam in central Washington state has a capacity of 6,800 Megawatts. It was the availability of low-cost power that brought the industrial era to the Northwest and brought a host of benefits to our rural residents, from rural electrification to irrigation for agriculture, as memorialized in the 1940s by Woody Guthrie. About four million acres of income-producing farm and ranch land across the Pacific Northwest are irrigated by the Columbia River, contributing $10 billion to our economy every year.

Unfortunately, the Columbia River Basin is also a river basin that faces serious challenges. Our rivers are severely polluted. When EPA completed its Columbia River Basin Fish Contaminant Survey, the agency looked for 131 chemicals in fish tissues that could be taken up by humans because of contamination entering the food chain. The study detected 70 percent of the chemicals EPA was looking for. All 11 species of fish they tested had some level of contamination in their tissue.

The contamination in these fish poses a health problem for people throughout our region, but it is the Indian tribes, our neighbors who have made this basin their home for thousands of years—including the Warm Springs, the Nez Perce, the Umatilla, and the Yakama—who are among the most affected. A survey conducted by the Columbia River Intertribal Fish Commission found that tribal members consume between 6 and 10 times as much fish as the national average. High consumption rates exist among all tribal members consuming fish as well as among specific high-risk groups, including breastfeeding women.

In addition, the salmon and steelhead, upon which the tribes and the fishing communities of the Northwest have so long depended, are in serious decline.

The good news is that stakeholders across the region are working to clean up and restore the river. Since the Lower Columbia River estuary was added to the National Estuary Program, a robust partnership involving 28 cities, 9 counties, and the states of Oregon and Washington has come together to coordinate habitat restoration and toxic contamination reduction in that part of the basin. The EPA has coordinated stakeholders throughout the basin, including the states of Idaho and Montana and tribal governments, working to improve toxic pollution monitoring and reduce and clean up contamination.

But more needs to be done.

While EPA has designated the Columbia River Basin as one of the nation's Great Water Bodies and has an active program in the basin, it is the only one of these Great Water Bodies that doesn't receive designated appropriations to support its restoration. Unlike the Chesapeake Bay and the Great Lakes, where Congress has authorized and funded restoration programs, the Columbia River Basin has no such program.

It is in that context that I introduce today, along with Senate colleagues from the Northwest, the Columbia River Basin Restoration Act of 2010. The bill establishes a clear stakeholder-driven process to oversee implementation of toxic contamination reduction plans. It directs EPA to provide technical support to a Working Group of stakeholders representing important constituencies and representing every geographic area in the Basin, and it allows those stakeholders to prioritize projects to implement toxic contamination reduction and to propose those projects to the EPA for funding.

We have also included an important component related to the Flathead River Basin in this bill. As my colleague the senior Senator from Montana can tell you, the Flathead is an amazing pristine gem of a water body on the far eastern edge of our basin. It forms the western and southern boundaries of the world's first international peace park, Glacier-Waterton, and it contains Flathead Lake, the largest freshwater lake in the West. Senator BAUCUS has made protecting the Flathead Basin a major focus and has discussed it many times in our work together on the Environment and Public Works Committee, and we have been working together for several months now to make sure we could protect the Flathead River Basin in this bill. I am glad we were able to include his provision to do so.

I would particularly like to thank my colleague Senator CRAPO from our neighboring State to the east. Senator CRAPO and I have been able to work together in a true collaborative partnership to propose what we believe will be an effective, stakeholder-driven program to help our constituents reduce toxic contamination in waterways that matter so much to them, and to do so in ways that our constituents design and prioritize. This bill reflects the interests and concerns of people from every State in the Northwest, and we will continue to hear and address their interests and concerns as the legislative process continues.

I am proud to stand with my colleagues from the Northwest today as we introduce this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3550

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Columbia River Basin Restoration Act of 2010''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Columbia River is the largest river in the Pacific Northwest by volume;

(2) the river is 1,253 miles long, with a drainage basin that includes 259,000 square miles, extending to 7 States and British Columbia, Canada, and including all or part of—

(A) multiple national parks;

(B) components of the National Wilderness Preservation System;

(C) National Monuments;

(D) National Scenic Areas;

(E) National Recreation Areas; and

(F) other areas managed for conservation.

(3) the Columbia River Basin and associated tributaries (referred to in this Act as the ''Basin'') provide significant ecological and economic benefits to the Pacific Northwest and the entire United States;

(4) traditionally, the Basin includes more than 6,000,000 acres of irrigated agricultural land and produces more hydroelectric power than any other North American river;

(5) the Basin—

(A) historically constituted the largest salmon-producing river system in the world, with annual returns peaking at as many as 30,000,000 fish; and

(B) as of the date of enactment of this Act—

(i) supports economically important commercial and recreational fisheries; and

(ii) is home to 13 species of salmonids and steelhead that area listed as threatened species or endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(6) the Lower Columbia River Estuary stretches 146 miles from the Bonneville Dam to the mouth of the Pacific Ocean, and much of that area is contaminated with toxic chemicals;

(7) the Middle and Upper Columbia River Basin includes 1,050 miles of the mainstem Columbia River upstream of the Bonneville Dam, including the 1,040 miles of the largest tributary, the Snake River, and all of the tributaries to both rivers;

(8) toxic contamination in the Basin poses a significant threat to the environment and human health;

(9) the nuclear and toxic contamination at the Hanford Nuclear Reservation and the toxic contamination at Superfund sites throughout the Basin present an ongoing risk of contamination throughout the Basin;

(10) polychlorinated biphenyls (commonly known as ''PCBs'') and polycyclic aromatic hydrocarbons that have been found in the tissues of salmonids and their prey at concentrations exceeding levels of concern;

(11) legacy contaminants, including PCBs and dichlorodiphenyltrichloroethane, the pesticide commonly known as ''DDT'', were banned in 1972, but are still detected in river water, sediments, and juvenile Chinook salmon;

(12) pesticides and emerging contaminants, such as pharmaceutical and personal care products, have been detected in river water and may have effects including hormone disruption and impacts on behavior and reproduction;

(13) the Environmental Protection Agency's Columbia River Basin Fish Contaminant Survey detected the presence of 92 priority pollutants, including PCBs and DDE (a breakdown of DDT), in fish that are consumed by members of Indian tribes in the Columbia River Basin, as well as by other individuals consuming fish throughout the Columbia River Basin, and a fish consumption survey by the Columbia River Intertribal Fish Commission showed that tribal members were eating 6 to 11 times more fish than the estimated national average of the Environmental Protection Agency;

(14) toxic contamination in the Middle and Upper Columbia River Basins have a direct impact on water quality in the Lower Columbia River Estuary, and reducing toxic contamination in the Middle and Upper Columbia River Basin can have significant benefits for human health and for fish and wildlife throughout the entire Basin; and

(15) with regard to the Flathead River Basin, in the easternmost portion of the Columbia River Basin—

(A) the Flathead River Basin—

(i) has high water quality and aquatic biodiversity;

(ii) supports endangered species and species of special concern listed under United States and Canadian law;

(iii) contains Flathead Lake, the largest freshwater lake in the western United States;

(iv) is an important wildlife corridor that is home to the highest density of large and mid-sized carnivores and the highest diversity of vascular plant species in the United States; and

(v) supports traditional uses such as hunting, fishing, recreation, guiding and outfitting, and logging;

(B) the Flathead River originates in British Columbia and drains into the State of Montana;

(C) such transboundary waters are protected from pollution under the Treaty Relating to the Boundary Waters and Questions Arising Along the Boundary Between the United States and Canada, signed at Washington on January 11, 1909 (36 Stat. 2448; TS 548) (commonly known as the ''Boundary Waters Treaty of 1909'');

(D) in 1988, the International Joint Commission determined that the impacts of mining proposals on the environmental values of the Flathead River Basin, including on water quality, sport fish populations, and habitat, could not be fully mitigated;

(E) the Flathead River forms the western and southern boundaries of the world's first International Peace Park, Waterton–Glacier, which was inscribed as a World Heritage Site in 1995 under the auspices of the World Heritage Convention, adopted by the United Nations Educational, Scientific, and Cultural Organization General Conference on November 16, 1972;

(F) at the 33rd session of the World Heritage Committee in 2009, Decision 33 COM 7B.22 (Annex 3) 2009, the World Heritage Committee urged Canada in 2009 not to permit any mining or energy development in the Upper Flathead River Basin until the relevant environmental assessment processes have been completed and to provide timely opportunities for the United States to participate in environmental assessment processes; and

(G) on February 18, 2010, British Columbia and Montana entered into a memorandum of understanding—

(i) to remove mining and oil and gas development as permissible land uses in the Flathead River Basin;

(ii) to cooperate on fish and wildlife management;

(iii) to collaborate on environmental assessment of projects of cross border significance with the potential to degrade land or water resources; and

(iv) to share information proactively.

SEC. 3. COLUMBIA RIVER BASIN RESTORATION.

Title I of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) is amended by adding at the end the following:

''SEC. 123. COLUMBIA RIVER BASIN RESTORATION.

''(a) DEFINITIONS.—

''(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

''(2) COLUMBIA RIVER BASIN.—The term 'Columbia River Basin' means the entire United States portion of the Columbia River watershed.

''(3) COLUMBIA RIVER BASIN PROVINCES.—The term 'Columbia River Basin Provinces' means the United States portion of each of the Columbia River Basin Provinces identified in the Fish and Wildlife Plan of the Northwest Power and Conservation Council.

''(4) COLUMBIA RIVER BASIN TOXICS REDUCTION ACTION PLAN.—

''(A) IN GENERAL.—The term 'Columbia River Basin Toxics *Reduction Action Plan*' means the plan developed by the Environmental Protection Agency and the Columbia River Toxics Reduction Working Group in 2010.

''(B) INCLUSIONS.—The term 'Columbia River Basin Toxics *Reduction Action Plan*' includes any amendments to the plan.

''(5) ESTUARY PARTNERSHIP.—The term 'Estuary Partnership' means the Lower Columbia River Estuary Partnership, an entity created by the States of Oregon and Washington and the Environmental Protection Agency under section 320.

''(6) ESTUARY PLAN.—

''(A) IN GENERAL.—The term 'Estuary Plan' means the Estuary Partnership Comprehensive Conservation and Management Plan adopted by the Environmental Protection Agency and the Governors of Oregon and Washington on October 20, 1999, under section 320.

''(B) INCLUSIONS.—The term 'Estuary Plan' includes any amendments to the plan.

''(7) LOWER COLUMBIA RIVER ESTUARY.—The term 'Lower Columbia River Basin and Estuary' means the mainstem Columbia River from the Bonneville Dam to the Pacific Ocean and tidally influenced portions of tributaries to the Columbia River in that region.

''(8) MIDDLE AND UPPER COLUMBIA RIVER BASIN.—

''(A) IN GENERAL.—The term 'Middle and Upper Columbia River Basin' means the region consisting of the United States portion of the Columbia River Basin above Bonneville Dam.

''(B) INCLUSIONS.—The term 'Middle and Upper Columbia River Basin' includes—

''(i) the Snake River and associated tributaries; and

''(ii) the Clark Fork and Pend Oreille Rivers and associated tributaries.

''(9) NORTH FORK OF THE FLATHEAD RIVER.—The term 'North Fork of the Flathead River' means the region consisting of the North Fork of the Flathead River watershed, beginning in British Columbia, Canada, ending at the confluence of the North Fork and the Middle Fork of the Flathead River in the State of Montana.

''(10) PROGRAM.—The term 'Program' means the Columbia River Basin Restoration Program established under subsection (b)(1).

''(11) TRANSBOUNDARY FLATHEAD RIVER BASIN.—The term 'transboundary Flathead River Basin' means the region consisting of the Flathead River watershed, beginning in British Columbia, Canada, and ending at Flathead Lake, Montana.

''(12) WORKING GROUP.—The term 'Working Group' means—

''(A) the Columbia River Basin Toxics Reduction Working Group established under subsection (c); and

''(B) with respect to the Lower Columbia River Estuary, the Estuary Partnership.

''(b) COLUMBIA RIVER BASIN RESTORATION PROGRAM.—

''(1) ESTABLISHMENT.—The Administrator shall establish within the Environmental Protection Agency a Columbia Basin Restoration Program.

''(2) DELEGATION OF AUTHORITY; STAFFING.—The Administrator shall delegate such authority and provide such additional staff as are necessary to carry out the Program.

''(3) SCOPE OF PROGRAM.—

''(A) IN GENERAL.—The Program shall consist of a collaborative stakeholder-based approach to reducing toxic contamination throughout the Columbia River Basin.

''(B) RELATIONSHIP TO EXISTING ACTIVITIES.—The Program shall—

''(i) build on the work and collaborative structure of the existing Columbia River Toxics Reduction Working Group representing the Federal Government, State, tribal, and local governments, industry, and nongovernmental organizations, which was convened in 2005 to develop a collaborative toxic contamination reduction approach for the Columbia River Basin;

''(ii) in the Lower Columbia River Basin and Estuary, build on the work and collaborative structure of the Estuary Partnership; and

''(iii) coordinate with other efforts, including activities of other Federal agencies in the Columbia River Basin, to avoid duplicating activities or functions.

''(C) NO EFFECT ON EXISTING AUTHORITY.—The Program shall not modify any legal or regulatory authority or program in effect as of the date of enactment of this section, including the roles of Federal agencies in the Columbia River Basin.

''(4) DUTIES.—The Administrator shall—

''(A) provide the Working Group with data, analysis, reports, or other information;

''(B) provide technical assistance to the Working Group, and to States, local government entities, and Indian tribes participating in the Working Group, to assist those agencies and entities in—

''(i) planning or evaluating potential projects;

''(ii) implementing plans;

''(iii) implementing projects; and

''(iv) monitoring and evaluating the effectiveness of projects and the implementation of plans and projects;

''(C) provide information to the Working Group on plans already developed by the Administrator or by other Federal agencies to enable the Working Group to avoid unnecessary or duplicative projects or activities;

''(D) provide coordination with other Federal agencies to avoid duplication of activities or functions;

''(E)(i) complete and periodically update the Columbia River Basin Toxics Reduction Action Plan and the Estuary Plan; and

''(ii) ensure that those plans, when considered together and in light of relevant plans developed by other Federal or State agencies, form a coherent toxic contamination reduction strategy for the entire Columbia River Basin; and

''(F) implement, including by providing grants pursuant to subsection (e), projects and conduct activities, including monitoring, assessment, and toxic contamination reduction activities, that are—

''(i) identified by the Working Group;

''(ii) included in the Columbia River Basin Toxics Reduction Action Plan and the Estuary Plan; or

''(iii) identified under subsection (d) and located in the Transboundary Flathead River Basin.

''(c) STAKEHOLDER WORKING GROUP.—

''(1) ESTABLISHMENT.—The Administrator shall establish a Columbia River Basin Toxics Reduction Working Group.

''(2) MEMBERSHIP.—The members of the Working Group shall include, at a minimum, representatives of—

''(A) each State located in whole or in part within the Columbia River Basin;

''(B) each Indian tribe with legally defined rights and authorities in the Columbia River Basin that elects to participate on the Working Group;

''(C) local governments located in the Columbia River Basin;

''(D) industries operating in the Columbia River Basin that affect or could affect water quality;

''(E) electric, water, and wastewater utilities operating in the Columba River Basin;

''(F) private landowners in the Columbia River Basin;

''(G) soil and water conservation districts in the Columbia River Basin;

''(H) environmental organizations that have a presence in the Columbia River Basin; and

''(I) the general public in the Columbia River Basin.

''(3) GEOGRAPHIC REPRESENTATION.—The Working Group shall include representation from each of the Columbia River Basin Provinces located in the Columbia River Basin.

''(4) APPOINTMENT.—

''(A) NONTRIBAL MEMBERS.—The Administrator, with the consent of the Governor of each State located in whole or in part within the Columbia River Basin, shall appoint nontribal members of the Working Group not later than 180 days after the date of enactment of this section.

''(B) TRIBAL MEMBERS.—The governing body of each Indian tribe described in paragraph (2)(B) shall appoint tribal members of the Working Group not later than 180 days after the date of enactment of this section.

''(5) DUTIES.—The Working Group shall—

''(A) assess trends in water quality and toxic contamination or toxics reduction, including trends that affect uses of the water of the Columbia River Basin;

''(B) collect, characterize, and assess data on toxics and water quality to identify possible causes of environmental problems;

''(C) develop periodic updates to the Columbia River Basin Toxics Reduction Action Plan and, in the Estuary, the Estuary Plan;

''(D) submit to the Administrator annually a prioritized list of projects, including monitoring, assessment, and toxic contamination reduction projects, that would implement the Columbia River Basin Toxics Reduction Action Plan or, in the Lower Columbia River Estuary, the Estuary Plan, for consideration for funding pursuant to subsection (e); and

''(E) monitor the effectiveness of actions taken pursuant to this section.

''(6) LOWER COLUMBIA RIVER ESTUARY.—In the Lower Columbia River Estuary, the Estuary Partnership shall function as the Working Group and execute the duties of the Working Group described in this subsection for such time as the Estuary Partnership is the management conference for the Lower Columbia River National Estuary Program.

''(7) PARTICIPATION BY STATES.—At the discretion of the Governor of a State, the State—

''(A) may elect not to participate in the Working Group established under this paragraph; and

''(B) may provide comments to the Administrator on the prioritized list of projects submitted pursuant to paragraph (5)(D).

''(d) TRANSBOUNDARY FLATHEAD RIVER BASIN.—

''(1) SHORT TITLE.—This subsection may be cited as the 'Transboundary Flathead River Basin Protection Act of 2010'.

''(2) ACTION BY PRESIDENT.—The President shall take steps to preserve and protect the unique, pristine area of the transboundary Flathead River, with a particular focus on the North Fork of the Flathead River.

''(3) TRANSBOUNDARY COOPERATION.—In taking such steps, the President may engage in negotiations with the Government of Canada to establish an executive agreement, or other appropriate tool, to ensure permanent protection for the North Fork of the Flathead River watershed and the adjacent area of Glacier-Waterton National Park.

''(4) PARTICIPATION IN COOPERATIVE EFFORTS.—

''(A) IN GENERAL.—The President may participate in cross-border collaborations with Canada on environmental assessments of any project of cross-border significance that has the potential to degrade land or water resources by providing for on-going involvement of appropriate Federal agencies of the United States in such assessments.

''(B) COLLABORATION.—In carrying out subparagraph (A), the President shall include in collaborations under that subparagraph appropriate Federal agencies, such as—

''(i) the Environmental Protection Agency;

''(ii) the Department of Interior;

''(iii) the United States Fish and Wildlife Service;

''(iv) the National Park Service;

''(v) the Forest Service; and

''(vi) such other agencies as the President determines to be appropriate.

''(5) ASSESSMENTS AND PROJECTS.—The President, acting through the Administrator, may provide grants under subsection (e) for the following purposes:

''(A) Developing baseline environmental conditions in the transboundary Flathead River Basin.

''(B) Assessing the impact of any proposed projects on the natural resources, water quality, wildlife, or environmental conditions in the transboundary Flathead River Basin.

''(C) Implementation of transboundary cooperative efforts identified by the governments of the United States and Canada under subsection (b)(2).

''(D) Projects to protect and preserve the natural resources, water quality, wildlife, and environmental conditions in the transboundary Flathead River Basin.

''(e) GRANTS.—

''(1) IN GENERAL.—The Administrator may provide grants to State and regional water pollution control agencies and entities, other State and local government entities, Indian tribes, nonprofit private agencies, institutions, organizations, and individuals for use in paying costs incurred in carrying out activities that would develop or implement plans or projects updated, developed, or authorized under this section (including for purposes described in subsection (d)(4)).

''(2) FEDERAL SHARE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Federal share of the cost of any project or activity carried out using funds from a grant provided to any person (including a State, interstate, or regional agency, an Indian tribe, or a local government entity) under this subsection for a fiscal year—

''(i) shall not exceed 75 percent of the total cost of the project or activity; and

''(ii) shall be made on condition that the non-Federal share of that total cost shall be provided from non-Federal sources.

''(B) EXCEPTIONS.—With respect to cost-sharing for a grant provided under this subsection—

''(i) an Indian tribe may use Federal funds for the non-Federal share; and

''(ii) the Administrator may increase the Federal share under such circumstances as the Administrator determines to be appropriate.

''(3) ALLOCATION.—In making grants using funds appropriated to carry out this section for fiscal years 2012 and 2013, the Administrator shall use—

''(A) not less than ⅓ of the funds to make grants for projects, programs, and studies in the Lower Columbia River Estuary; and

''(B) not less than ⅓ of the funds to make grants for projects, programs, and studies in the Middle and Upper Columbia River Basin.

''(4) REPORTING.—Not later than 18 months after the date of receipt of a grant under this subsection, and biennially thereafter for the duration of the grant, a person (including a State, interstate, or regional agency, an Indian tribe, or a local government entity) that receives a grant under this subsection shall submit to the Administrator a report that describes the progress being made in achieving the purposes of this section using funds from the grant.

''(f) ANNUAL BUDGET PLAN.—The President, as part of the annual budget submission of the President to Congress under section 1105(a) of title 31, United States Code, shall submit information regarding each Federal agency involved in protection and restoration of the Columbia River Basin, including an interagency crosscut budget that displays for each Federal agency—

''(1) the amounts obligated for the preceding fiscal year for protection and restoration projects, programs, and studies relating to the Columbia River Basin;

''(2) the estimated budget for the current fiscal year for protection and restoration projects, programs, and studies relating to the Columbia River Basin; and

''(3) the proposed budget for protection and restoration projects, programs, and studies relating to the Columbia River Basin.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator to carry out this section $33,000,000 for each of fiscal years 2012 through 2017, to remain available until expended.''.

Mr. BAUCUS. Mr. President, I rise today with Senator MERKLEY, Senator TESTER, Senator CRAPO, and others to introduce the Columbia River Basin Restoration Act of 2010. The bill authorizes much needed funds to implement toxics reduction projects throughout the basin, and it authorizes next steps in our longstanding effort to protect and preserve the transboundary Flathead Basin. The Columbia River Basin is one of the great water basins along our border with Canada that binds our two nations together. The river spans about 1,200 miles and travels through 14 dams from Columbia Lake, British Columbia all the way to the Pacific Ocean. Several of the major subasins of the Columbia are located in Montana, including the Kootenai, the Flathead, the Clark Fork, the Blackfoot, and the Bitterroot. Toxics contamination is a problem in several of these subasins, and I am very pleased to be a cosponsor of the Columbia River Basin Restoration Act of 2010, which will authorize much needed resources to address toxics contamination.

The Columbia River Basin Restoration Act of 2010 also includes the Transboundary Flathead Basin Protection Act of 2010. This part of the bill addresses the unique needs of one of the areas that I love about Montana. Everyone who experiences the North Fork of the Flathead in northwestern Montana is awed by its pristine waters, larger-than-life landscapes, and breathtaking views. With its headwaters in British Columbia, the North Fork of the Flathead River forms the western boundary of Glacier National Park—it is one of the last untouched places on our continent.

For decades, the North Fork has been threatened by oil and gas and mining proposals in British Columbia. For the last 35 years, I have battled these proposals, one by one. After 35 years of work, we are beginning a new chapter of international cooperation in our efforts to protect the North Fork.

In February of this year, British Columbia and Montana announced their intent to prevent mining, oil and gas, and coalbed methane development in the North Fork on the lands they control. This memorandum of understanding was a great foundation for additional efforts to establish protections that are permanent. Since 90 percent of the North Fork watershed is Federally-owned, Federal action is needed on the southern side of the U.S.-Canadian border.

So, on March 4, Senator TESTER and I introduced the North Fork Watershed Protection Act, S. 3075, which bans future mining, oil and gas, and coalbed methane development on Federal lands in the watershed. The bill enjoys support from business and conservation interests alike from all over the State, including the Kalispell Chamber, Whitefish Mountain Resort, the Billings Rod and Gun Club, and a long list of others. This breadth of support shows the importance of the North Fork for Montana's economy as well as our State's outdoor heritage.

There are some current leases in the area that have been dormant since the late 1980s, when a court decision found that they were improperly issued. Senator TESTER and I have been engaged in active discussions with the current owners to retire these old leases. On April 28, I was proud to announce that ConocoPhillips, the primary leaseholder in the North Fork watershed, elected to voluntarily relinquish its interest in 108 Federal oil and gas leases covering approximately 169,000 acres, representing 71 percent of the leased area in the North Fork watershed. On June 2, we announced that Chevron decided to voluntarily relinquish its interest in 11,000 acres of leases in the Flathead watershed. To date, we have managed to retire the primary interest in 180,000 acres in the North Fork watershed, free of charge to the American taxpayer.

These actions are further evidence of the consensus that exists between the United States and Canada and among businesses and conservationists, that the withdrawal of these Federal lands from leasing is the only path forward.

The transboundary Flathead section of the Columbia River Restoration Act of 2010 authorizes the next phase of our efforts to protect the Flathead. Just yesterday, the White House issued a statement that during the G20 meeting in Toronto, President Obama and Prime Minister Harper discussed the transboundary Flathead, recognizing the memorandum of understanding between British Columbia and Montana and exploring ways that the two governments can cooperate to ensure sustained protection of the North Fork. Senator TESTER and I asked the President to discuss this issue with the Prime Minister on June 9th, and we are very pleased that the two made this a priority in light of the agenda at the G20. This commitment from the highest levels of government sets the stage for four-party talks between the United States, Canada, British Columbia, and Montana to establish permanent protections.

The Columbia River Basin Restoration Act of 2010 takes three key steps to move things forward in the Flathead. Before I walk through those, it is important to recognize that this is an authorization bill. It authorizes specific actions by the Federal Government and authorizes appropriations in support of those actions. It is important to remember that Congress works in a two-step process—first the authorization, then, once signed into law, appropriations follow.

The bill authorizes the President to take steps to preserve and protect the transboundary Flathead River Basin. It is clear that the President has authority under the Boundary Waters Treaty of 1909, the Clean Water Act, and other statutes to take steps to prevent water pollution and protect wildlife in the transboundary Flathead. This section requires that the President act to meet these goals and provides explicit authority for the President to negotiate with Canada to ensure permanent protection for the North Fork and Glacier-Waterton National Park.

The bill authorizes the President, acting through appropriate agencies, to participate in cross-border collaborations and environmental assessments with Canada. Federal agency participation in such assessments is anticipated in the MOU between British Columbia and Montana, and our bill provides the authority for this to occur. Finally, the bill authorizes grants for baseline environmental studies, analysis of environmental impacts of any proposed projects, implementation of transboundary cooperative efforts, and other projects to protect and preserve the transboundary Flathead River Basin.

Funds for these and other purposes in the Columbia River Restoration Act of 2010 would be provided through the appropriations process, once this bill is signed into law.

Mr. President, I want to reflect for a moment on how far we have come in Montana in efforts to protect the North Fork. In 1975, during my very first term in the House of Representatives, I introduced a bill to designate the Flathead River as a Wild and Scenic River. It was designated a Wild and Scenic River in 1976.

For me, that began a lifelong effort to protect the North Fork. At that time I said:

A hundred years from now, and perhaps much sooner, those who follow us will survey what we have left behind.

The retirement of current oil and gas leases in the Flathead, the Energy Committee's very positive hearing on April 28 on S. 3075, the North Fork Watershed Protection Act 2010, President Obama's action yesterday with Prime Minister Harper, our introducing of this bipartisan legislation today and its eventual passage are all steps in a decades-long process to protect this gem of the continent.

I know that if we continue to cooperate with Canada, that if we can all keep our eye on the ball of long-term protection for the North Fork, that every Montanan, every American, and every Canadian who follows us will have the opportunity to share our feeling of awestruck wonder that such a place still exists, almost untouched by the modern world.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 573—URGING THE DEVELOPMENT OF A COMPREHENSIVE STRATEGY TO ENSURE STABILITY IN SOMALIA, AND FOR OTHER PURPOSES

Mr. FEINGOLD (for himself, Ms. KLOBUCHAR, and Mr. FRANKEN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 573

Whereas Somalia has been without a functioning central government since 1991, resulting in lawlessness and an increasingly desperate humanitarian situation;

Whereas, despite the return of the internationally recognized Transitional Federal Government (TFG) to Mogadishu and ongoing diplomatic efforts through the Djibouti Peace Process, supported by the United Nations, there has been little improvement in the governance or stability of southern and central Somalia, and armed opposition groups continue to exploit this situation;

Whereas the traditional mediation role played by Somali elders has been eroded as the dynamics of conflict and the proliferation of weapons make it difficult to influence warring parties;

Whereas, since 2007, armed violence has resulted in the deaths of at least 21,000 people in Somalia and the displacement of nearly 2,000,000 people, including over 500,000 refugees in Kenya, Yemen, Ethiopia, Eritrea, Djibouti, Tanzania, and Uganda;

Whereas the United Nations estimates that 3,200,000 people, or 43 percent of the population of Somalia, are in need of humanitarian assistance and livelihood support to survive;

Whereas the United Nations reports that almost 1,000,000 displaced Somalis in need of aid cannot be reached by United Nations refugee and food agencies because of growing insecurity and the threat of kidnappings to staff;

Whereas local humanitarian organizations are trying to meet the needs of the Somali people by restoring basic social services in urban and rural communities, which places them on the front lines of the conflict and make them vulnerable targets for killings, kidnappings, or being accused of working for foreign governments;

Whereas al Shabaab, which has been designated as a foreign terrorist organization by the Department of State, and other armed groups continue to wage war against the Transitional Federal Government in Mogadishu and one another to gain control over territory in Somalia;

Whereas al Shabaab has claimed responsibility for many bombings—including suicide attacks—in Mogadishu, as well as in central and northern Somalia, typically targeting officials of the Government of Somalia and perceived allies of the TFG;

Whereas, according to Human Rights Watch, al Shabaab is subjecting inhabitants of areas under its control in southern Somalia to executions, cruel punishments, including amputations and floggings, and repressive social control;

Whereas the human rights situation in Somalia has dramatically worsened over the past several years with increased numbers of killings, torture, kidnappings, and rape;

Whereas the 2009 Department of State Country Terrorism Report notes that ''Somalia's fragile transitional Federal government, protracted state of violent instability, its long, unguarded coastline, porous borders, and proximity to the Arabian Peninsula, made the country an attractive location for international terrorists seeking a transit or launching point for operations in Somalia or elsewhere'';

Whereas the situation in southern and central Somalia, particularly the activity of al Shabaab, poses direct threats to the stability of Puntland and Somaliland regions, as well as the stability of neighboring states and the wider region;

Whereas al Shabaab leaders have stated their intent to provide recruits and support for al Qaeda in the Arabian Peninsula in Yemen;

Whereas the Government of Eritrea has provided military and financial support for armed opposition groups, including al Shebaab, in part as a proxy front in its continuing tensions with Ethiopia;

Whereas, according to the most recent report by the United Nations Somalia Monitoring Group, arms, ammunitions, and military or dual-use equipment continue to enter Somalia at a fairly steady rate, primarily from Yemen and Ethiopia;

Whereas, in July 2009, the Department of State confirmed that, in addition to other support for the TFG, it had provided cash to purchase weapons and ammunitions for the TFG's efforts ''to repel the onslaught of extremist forces which are intent on destroying the Djibouti peace process'';

Whereas, according to most recent report by the United Nations Somalia Monitoring Group, ''[d]espite infusions of foreign training and assistance, government security forces remain ineffective, disorganized and corrupt—a composite of independent militias loyal to senior government officials and military officers who profit from the business of war and resist their integration under a single command'';

Whereas, on April 24, 2010, President Barack Obama issued an executive order to sanction or freeze the assets of militants who threaten, both directly and indirectly, the stability of Somalia, as well as individuals involved in piracy off Somalia's coast;

Whereas, in March 2009, at a hearing of the Committee on Homeland Security and Government Affairs of the Senate, Andrew Liepman, Deputy Director of Intelligence at the National Counterterrorism Center, noted that ''[s]ince 2006, a number of U.S. citizens [have] traveled to Somalia, possibly to train in extremist training camps'';

Whereas, in September 2009, at a hearing of the Committee on Homeland Security and Government Affairs of the Senate, the Director of the National Counterterrorism Center Michael Leiter testified that ''the potential for al-Qaeda operatives in Somalia to commission Americans to return to the United States and launch attacks against the Homeland remains of significant concern''; and

Whereas the extraordinary and ongoing crisis in Somalia has enormous humanitarian consequences and direct national security implications for the United States and our allies in the region: Now therefore be it

Resolved, That the Senate—

(1) acknowledges the urgency of addressing the threats to United States national security in Somalia and the conditions that foster those threats;

(2) reaffirms its commitment to stand with all the people of Somalia who aspire to a future free of terrorism and violence through advancing political reconciliation and building legitimate and inclusive governance institutions;

(3) recognizes the difficult, but very important, work being done by the African Union Mission in Somalia (AMISOM) to help secure parts of Mogadishu, and reaffirms its support for the mission;

(4) calls on the Transitional Federal Government in Somalia—

(A) to cease immediately any use of child soldiers;

(B) to ensure better accountability and transparency for all received security assistance;

(C) to renew its commitment to political reconciliation; and

(D) to take necessary steps toward becoming a more legitimate and inclusive government in the eyes of the people of Somalia;

(5) calls on all actors and governments in the region, particularly the Government of Eritrea, to play a productive role in helping to bring about peace and stability to Somalia, including ceasing to provide any financial or material support to armed opposition groups in Somalia;

(6) welcomes efforts by the President to bring greater focus and resources toward understanding and monitoring the situation in Somalia;

(7) urges the President to develop a comprehensive strategy to ensure that all United States humanitarian, diplomatic, political, and counterterrorism programs in Somalia and the wider Horn of Africa are coordinated and making progress toward the long-term goal of establishing stability, respect for human rights, and functional, inclusive governance in Somalia;

(8) urges the President and Secretary of State, as part of a comprehensive strategy—

(A) to provide greater support for a range of diplomatic initiatives to engage clan leaders, business leaders, and civil society leaders in Somalia and the Somali Diaspora in political reconciliation and consensus-building;

(B) to ensure better oversight, monitoring, and transparency of all United States security assistance provided to the TFG;

(C) to increase and strengthen the United States diplomatic team working on Somalia, including the appointment of a senior envoy,

and to ensure that these officials have the necessary resources, access, and mandate;

(D) to pursue opportunities for periodic, temporary United States Government travel to Somalia, consistent with any security concerns;

(E) to expand and deepen our engagement with the regions of Somaliland and Puntland and other regional administrations in order to promote good governance, effective law enforcement, respect for human rights, and stability in these regions;

(F) to explore, in consultation with the Secretary of the Treasury, increased options for pressuring individuals, governments, and other actors who undertake economic activities that support armed opposition groups and violence in Somalia; and

(G) to develop, in consultation with the Administrator of the United States Agency for International Development, creative and flexible mechanisms for delivering basic humanitarian assistance to the people of Somalia while minimizing the risk of significant diversion to armed opposition groups.

SENATE RESOLUTION 574—RELATIVE TO THE MEMORIAL OBSERVANCES OF THE HONORABLE ROBERT C. BYRD, LATE A SENATOR FROM THE STATE OF WEST VIRGINIA

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

S. RES. 574

Whereas, The Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Robert C. Byrd, late a Senator from the State of West Virginia: Now, therefore, be it

Resolved, That the memorial observances of the Honorable Robert C. Byrd, late a Senator from the State of West Virginia be held in the Senate Chamber on Thursday, July 1, 2010, beginning at 10:00 a.m., and that the Senate attend the same.

Resolved, That paragraph 1 of Rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol (prohibiting the taking of pictures in the Senate Chamber) be temporarily suspended for the sole and specific purpose of permitting the Senate Photographic Studio to photograph this memorial observance.

Resolved, That the Sergeant at Arms be directed to make necessary and appropriate arrangements in connection with the memorial observances in the Senate Chamber.

Resolved, That the Secretary of the Senate communicate these resolutions to the House of Representatives, transmit an enrolled copy thereof to the family of the deceased, and invite the House of Representatives and the family of the deceased to attend the memorial observances in the Senate Chamber.

Resolved, That invitations be extended to the President of the United States, the Vice President of the United States, and the members of the Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the Diplomatic Corps (through the Secretary of State), the Chief of Staff of the Army, the Chief of Naval Operations of the Navy, the Major General Commandant of the Marine Corps, the Chief of Staff of the Air Force, and the Commandant of the Coast Guard to attend the memorial observances in the Senate Chamber.

SENATE CONCURRENT RESOLUTION 65—PROVIDING FOR THE USE OF THE CATAFALQUE SITUATED IN THE EXHIBITION HALL OF THE CAPITOL VISITOR CENTER IN CONNECTION WITH MEMORIAL SERVICES TO BE CONDUCTED IN THE UNITED STATES SENATE CHAMBER FOR THE HONORABLE ROBERT C. BYRD, LATE A SENATOR FROM THE STATE OF WEST VIRGINIA

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

S. CON. RES. 65

Resolved by the Senate (the House of Representatives concurring), That the Architect of the Capitol is authorized and directed to transfer the catafalque which is situated in the Exhibition Hall of the Capitol Visitor Center to the Senate Chamber so that such catafalque may be used in connection with services to be conducted there for the Honorable Robert C. Byrd, late a Senator from the State of West Virginia.

AMENDMENTS SUBMITTED AND PROPOSED

SA 4401. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table.

SA 4402. Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) proposed an amendment to the bill H.R. 5297, supra.

SA 4403. Mr. REID (for himself, Mr. BAUCUS, and Ms. LANDRIEU) proposed an amendment to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, supra.

SA 4404. Mr. REID proposed an amendment to amendment SA 4403 proposed by Mr. REID (for himself, Mr. BAUCUS, and Ms. LANDRIEU) to the amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, supra.

SA 4405. Mr. REID proposed an amendment to the bill H.R. 5297, supra.

SA 4406. Mr. REID proposed an amendment to amendment SA 4405 proposed by Mr. REID to the bill H.R. 5297, supra.

SA 4407. Mr. REID (for himself, Mr. BAUCUS, and Ms. LANDRIEU) proposed an amendment to the bill H.R. 5297, supra.

SA 4408. Mr. REID proposed an amendment to amendment SA 4407 proposed by Mr. REID (for himself, Mr. BAUCUS, and Ms. LANDRIEU) to the bill H.R. 5297, supra.

SA 4409. Mr. REID proposed an amendment to amendment SA 4408 proposed by Mr. REID to the amendment SA 4407 proposed by Mr. REID (for himself, Mr. BAUCUS, and Ms. LANDRIEU) to the bill H.R. 5297, supra.

SA 4410. Mr. KERRY (for himself and Mr. ENSIGN) submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4411. Mr. BINGAMAN (for himself and Mr. KERRY) submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4412. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4413. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4414. Mr. CARDIN submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4415. Mr. CARDIN submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4416. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4417. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4418. Mr. WHITEHOUSE (for himself, Mr. BENNET, Mr. BROWN, of Massachusetts, Mr. BROWN, of Ohio, Mr. CORKER, Mr. DURBIN, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. KAUFMAN, Mr. LEAHY, Mr. LEMIEUX, Mrs. MCCASKILL, Mr. MENENDEZ, Mr. NELSON, of Florida, Mr. PRYOR, Mr. SCHUMER, Mr. SESSIONS, Mr. SPECTER, and Mr. WARNER) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4419. Mr. BURRIS submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4420. Mr. DODD (for himself, Mr. COCHRAN, and Ms. MIKULSKI) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4421. Mr. CASEY submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4422. Mr. TESTER submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4423. Mrs. SHAHEEN (for herself and Mr. COCHRAN) submitted an amendment intended to be proposed by her to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4424. Mr. WEBB (for himself and Mrs. BOXER) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4425. Mr. REID proposed an amendment to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

SA 4426. Mr. REID proposed an amendment to amendment SA 4425 proposed by Mr. REID to the bill H.R. 4213, supra.

SA 4427. Mr. REID proposed an amendment to the bill H.R. 4213, supra.

SA 4428. Mr. REID proposed an amendment to amendment SA 4427 proposed by Mr. REID to the bill H.R. 4213, supra.

SA 4429. Mr. REID proposed an amendment to amendment SA 4428 proposed by Mr. REID

to the amendment SA 4427 proposed by Mr. REID to the bill H.R. 4213, supra.

SA 4430. Mrs. BOXER (for herself and Ms. LANDRIEU) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 4401. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

On page 115, between lines 6 and 7, insert the following:

SEC. 702. BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.

(a) TANGIBLE EQUITY REQUIREMENTS.—Section 310B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(d)) is amended by striking paragraph (6) and inserting the following:

''(6) EQUITY.—In the case of direct or guaranteed loans under this section, the Secretary shall use commercial lending standards in determining any equity requirement.''.

(b) GENERAL TERMS.—Section 310B(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)) is amended by adding at the end the following:

''(10) GENERAL TERMS.—

''(A) MAXIMUM LOAN GUARANTEE AMOUNT.—

''(i) IN GENERAL.—Notwithstanding any other provision of this Act, during the period beginning on the date of enactment of this paragraph and ending on December 31, 2011, the Secretary shall guarantee up to 90 percent of a business and industry loan in an amount of up to $10,000,000 that is a high priority project, as determined based on published criteria of the Secretary that includes rural economic factors.

''(ii) SUBSEQUENT FISCAL YEARS.—Notwithstanding any other provision of this Act, beginning on January 1, 2012, the Secretary may guarantee up to 80 or 90 percent (as determined by the Secretary) of a business and industry loan in an amount of up to $10,000,000 that is a high priority project, as determined based on criteria described in clause (i).

''(B) LINE-OF-CREDIT LOANS.—In guaranteeing business and industry loans, the Secretary shall guarantee line-of-credit loans in accordance with section 316(c).

''(C) REFINANCING.—

''(i) IN GENERAL.—A business and industry loan may be used by a small business to refinance debt in existence as of the day before the date on which the loan was made or guaranteed, if—

''(I) the project for which the debt was incurred is viable and will create or save jobs, as determined by the Secretary; and

''(II) as of the date of application for refinancing—

''(aa) the underlying loan has been current for at least 1 year; and

''(bb) the lender is providing better rates and longer terms than under the original loan.

''(ii) SUBORDINATED OWNER DEBT.—Subordinated owner debt shall not be eligible for inclusion in debt described in clause (i).

''(D) AUDIT STANDARDS.—Notwithstanding any other provision of law, the Secretary—

''(i) shall not require audited financial statements consistent with generally accepted accounting principles for business and industry loans of less than $3,000,000; and

''(ii) may waive any requirement for audited financial statements consistent with generally accepted accounting principles for business and industry loans of at least $3,000,000.

''(E) CALCULATION OF DELINQUENCY RATES.—To allow accurate comparison of delinquency rates among Federal agencies, in calculating the delinquency rate for business and industry loans, the Secretary shall use the calculation method used by the Administrator of the Small Business Administration.''.

(c) SENSE OF CONGRESS RELATING TO THE RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.—It is the sense of Congress that in allocating discretionary funds of the Secretary of Agriculture, the Secretary of Agriculture should give priority to the rural microentrepreneur assistance program established under section 379E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s).

SA 4402. Mr. REID (for Mr. BAUCUS) proposed an amendment to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Small Business Jobs Act of 2010''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TITLE I—SMALL BUSINESSES

SEC. 1001. DEFINITIONS.

In this title—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively; and

(2) the term ''small business concern'' has the meaning given that term under section 3 of the Small Business Act (15 U.S.C. 632).

Subtitle A—Small Business Access to Credit

SEC. 1101. SHORT TITLE.

This subtitle may be cited as the ''Small Business Job Creation and Access to Capital Act of 2010''.

PART I—NEXT STEPS FOR MAIN STREET CREDIT AVAILABILITY

SEC. 1111. SECTION 7(a) BUSINESS LOANS.

(a) AMENDMENT.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking ''75 percent'' and inserting ''90 percent''; and

(B) in clause (ii), by striking ''85 percent'' and inserting ''90 percent''; and

(2) in paragraph (3)(A), by striking ''$1,500,000 (or if the gross loan amount would exceed $2,000,000'' and inserting ''$4,500,000 (or if the gross loan amount would exceed $5,000,000''.

(b) PROSPECTIVE REPEAL.—Effective January 1, 2011, section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking ''90 percent'' and inserting ''75 percent''; and

(B) in clause (ii), by striking ''90 percent'' and inserting ''85 percent''; and

(2) in paragraph (3)(A), by striking ''$4,500,000'' and inserting ''$3,750,000''.

SEC. 1112. MAXIMUM LOAN AMOUNTS UNDER 504 PROGRAM.

Section 502(2)(A) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)(A)) is amended—

(1) in clause (i), by striking ''$1,500,000'' and inserting ''$5,000,000'';

(2) in clause (ii), by striking ''$2,000,000'' and inserting ''$5,000,000'';

(3) in clause (iii), by striking ''$4,000,000'' and inserting ''$5,500,000'';

(4) in clause (iv), by striking ''$4,000,000'' and inserting ''$5,500,000''; and

(5) in clause (v), by striking ''$4,000,000'' and inserting ''$5,500,000''.

SEC. 1113. MAXIMUM LOAN LIMITS UNDER MICROLOAN PROGRAM.

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

(1) in paragraph (1)(B)(iii), by striking ''$35,000'' and inserting ''$50,000'';

(2) in paragraph (3)—

(A) in subparagraph (C), by striking ''$3,500,000'' and inserting ''$5,000,000''; and

(B) in subparagraph (E), by striking ''$35,000'' each place that term appears and inserting ''$50,000''; and

(3) in paragraph (11)(B), by striking ''$35,000'' and inserting ''$50,000''.

SEC. 1114. TEMPORARY FEE REDUCTIONS.

Section 501 of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 151) is amended by striking ''September 30, 2010'' each place that term appears and inserting ''December 31, 2010''.

SEC. 1115. NEW MARKETS VENTURE CAPITAL COMPANY INVESTMENT LIMITATIONS.

Section 355 of the Small Business Investment Act of 1958 (15 U.S.C. 689d) is amended by adding at the end the following:

''(e) INVESTMENT LIMITATIONS.—

''(1) DEFINITION.—In this subsection, the term 'covered New Markets Venture Capital company' means a New Markets Venture Capital company—

''(A) granted final approval by the Administrator under section 354(e) on or after March 1, 2002; and

''(B) that has obtained a financing from the Administrator.

''(2) LIMITATION.—Except to the extent approved by the Administrator, a covered New Markets Venture Capital company may not acquire or issue commitments for securities under this title for any single enterprise in an aggregate amount equal to more than 10 percent of the sum of—

''(A) the regulatory capital of the covered New Markets Venture Capital company; and

''(B) the total amount of leverage projected in the participation agreement of the covered New Markets Venture Capital.''.

SEC. 1116. ALTERNATIVE SIZE STANDARDS.

Section 3(a) of the Small Business Act (15 U.S.C. 632(a)) is amended by adding at the end the following:

''(5) ALTERNATIVE SIZE STANDARD.—

''(A) IN GENERAL.—The Administrator shall establish an alternative size standard for applicants for business loans under section 7(a) and applicants for development company loans under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.), that uses maximum tangible net worth and average net income as an alternative to the use of industry standards.

''(B) INTERIM RULE.—Until the date on which the alternative size standard established under subparagraph (A) is in effect, an applicant for a business loan under section 7(a) or an applicant for a development company loan under title V of the Small Business Investment Act of 1958 may be eligible for such a loan if—

''(i) the maximum tangible net worth of the applicant is not more than $15,000,000; and

''(ii) the average net income after Federal income taxes (excluding any carry-over losses) of the applicant for the 2 full fiscal years before the date of the application is not more than $5,000,000.''.

SEC. 1117. SALE OF 7(a) LOANS IN SECONDARY MARKET.

Section 5(g) of the Small Business Act (15 U.S.C. 634(g)) is amended by adding at the end the following:

''(6) If the amount of the guaranteed portion of any loan under section 7(a) is more than $500,000, the Administrator shall, upon request of a pool assembler, divide the loan guarantee into increments of $500,000 and 1 increment of any remaining amount less than $500,000, in order to permit the maximum amount of any loan in a pool to be not more than $500,000. Only 1 increment of any loan guarantee divided under this paragraph may be included in the same pool. Increments of loan guarantees to different borrowers that are divided under this paragraph may be included in the same pool.''.

SEC. 1118. ONLINE LENDING PLATFORM.

It is the sense of Congress that the Administrator of the Small Business Administration should establish a website that—

(1) lists each lender that makes loans guaranteed by the Small Business Administration and provides information about the loan rates of each such lender; and

(2) allows prospective borrowers to compare rates on loans guaranteed by the Small Business Administration.

SEC. 1119. SBA SECONDARY MARKET GUARANTEE AUTHORITY.

Section 503(f) of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 155) is amended by striking ''on the date 2 years after the date of enactment of this section'' and inserting ''2 years after the date of the first sale of a pool of first lien position 504 loans guaranteed under this section to a third-party investor''.

PART II—SMALL BUSINESS ACCESS TO CAPITAL

SEC. 1122. LOW-INTEREST REFINANCING UNDER THE LOCAL DEVELOPMENT BUSINESS LOAN PROGRAM.

(a) REFINANCING.—Section 502(7) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)) is amended by adding at the end the following:

''(C) REFINANCING NOT INVOLVING EXPANSIONS.—

''(i) DEFINITIONS.—In this subparagraph—

''(I) the term 'borrower' means a small business concern that submits an application to a development company for financing under this subparagraph;

''(II) the term 'eligible fixed asset' means tangible property relating to which the Administrator may provide financing under this section; and

''(III) the term 'qualified debt' means indebtedness—

''(aa) that—

''(AA) was incurred not less than 2 years before the date of the application for assistance under this subparagraph;

''(BB) is a commercial loan;

''(CC) is not subject to a guarantee by a Federal agency;

''(DD) the proceeds of which were used to acquire an eligible fixed asset;

''(EE) was incurred for the benefit of the small business concern; and

''(FF) is collateralized by eligible fixed assets; and

''(bb) for which the borrower has been current on all payments for not less than 1 year before the date of the application.

''(ii) AUTHORITY.—A project that does not involve the expansion of a small business concern may include the refinancing of qualified debt if—

''(I) the amount of the financing is not more than 90 percent of the value of the collateral for the financing, except that, if the appraised value of the eligible fixed assets serving as collateral for the financing is less than the amount equal to 125 percent of the amount of the financing, the borrower may provide additional cash or other collateral to eliminate any deficiency;

''(II) the borrower has been in operation for all of the 2-year period ending on the date of the loan; and

''(III) for a financing for which the Administrator determines there will be an additional cost attributable to the refinancing of the qualified debt, the borrower agrees to pay a fee in an amount equal to the anticipated additional cost.

''(iii) FINANCING FOR BUSINESS EXPENSES.—

''(I) FINANCING FOR BUSINESS EXPENSES.—The Administrator may provide financing to a borrower that receives financing that includes a refinancing of qualified debt under clause (ii), in addition to the refinancing under clause (ii), to be used solely for the payment of business expenses.

''(II) APPLICATION FOR FINANCING.—An application for financing under subclause (I) shall include—

''(aa) a specific description of the expenses for which the additional financing is requested; and

''(bb) an itemization of the amount of each expense.

''(III) CONDITION ON ADDITIONAL FINANCING.—A borrower may not use any part of the financing under this clause for non-business purposes.

''(iv) LOANS BASED ON JOBS.—

''(I) JOB CREATION AND RETENTION GOALS.—

''(aa) IN GENERAL.—The Administrator may provide financing under this subparagraph for a borrower that meets the job creation goals under subsection (d) or (e) of section 501.

''(bb) ALTERNATE JOB RETENTION GOAL.—The Administrator may provide financing under this subparagraph to a borrower that does not meet the goals described in item (aa) in an amount that is not more than the product obtained by multiplying the number of employees of the borrower by $65,000.

''(II) NUMBER OF EMPLOYEES.—For purposes of subclause (I), the number of employees of a borrower is equal to the sum of—

''(aa) the number of full-time employees of the borrower on the date on which the borrower applies for a loan under this subparagraph; and

''(bb) the product obtained by multiplying—

''(AA) the number of part-time employees of the borrower on the date on which the borrower applies for a loan under this subparagraph; by

''(BB) the quotient obtained by dividing the average number of hours each part time employee of the borrower works each week by 40.

''(v) NONDELEGATION.—Notwithstanding section 508(e), the Administrator may not permit a premier certified lender to approve or disapprove an application for assistance under this subparagraph.

''(vi) TOTAL AMOUNT OF LOANS.—The Administrator may provide not more than a total of $7,500,000,000 of financing under this subparagraph for each fiscal year.''.

(b) PROSPECTIVE REPEAL.—Effective 2 years after the date of enactment of this Act, section 502(7) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)) is amended by striking subparagraph (C).

(c) TECHNICAL CORRECTION.—Section 502(2)(A)(i) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)(A)(i)) is amended by striking ''subparagraph (B) or (C)'' and inserting ''clause (ii), (iii), (iv), or (v)''.

PART III—OTHER MATTERS

SEC. 1131. SMALL BUSINESS INTERMEDIARY LENDING PILOT PROGRAM.

(a) IN GENERAL.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended by striking subsection (l) and inserting the following:

''(l) SMALL BUSINESS INTERMEDIARY LENDING PILOT PROGRAM.—

''(1) DEFINITIONS.—In this subsection—

''(A) the term 'eligible intermediary'—

''(i) means a private, nonprofit entity that—

''(I) seeks or has been awarded a loan from the Administrator to make loans to small business concerns under this subsection; and

''(II) has not less than 1 year of experience making loans to startup, newly established, or growing small business concerns; and

''(ii) includes—

''(I) a private, nonprofit community development corporation;

''(II) a consortium of private, nonprofit organizations or nonprofit community development corporations; and

''(III) an agency of or nonprofit entity established by a Native American Tribal Government; and

''(B) the term 'Program' means the small business intermediary lending pilot program established under paragraph (2).

''(2) ESTABLISHMENT.—There is established a 3-year small business intermediary lending pilot program, under which the Administrator may make direct loans to eligible intermediaries, for the purpose of making loans to startup, newly established, and growing small business concerns.

''(3) PURPOSES.—The purposes of the Program are—

''(A) to assist small business concerns in areas suffering from a lack of credit due to poor economic conditions or changes in the financial market; and

''(B) to establish a loan program under which the Administrator may provide loans to eligible intermediaries to enable the eligible intermediaries to provide loans to startup, newly established, and growing small business concerns for working capital, real estate, or the acquisition of materials, supplies, or equipment.

''(4) LOANS TO ELIGIBLE INTERMEDIARIES.—

''(A) APPLICATION.—Each eligible intermediary desiring a loan under this subsection shall submit an application to the Administrator that describes—

''(i) the type of small business concerns to be assisted;

''(ii) the size and range of loans to be made;

''(iii) the interest rate and terms of loans to be made;

''(iv) the geographic area to be served and the economic, poverty, and unemployment characteristics of the area;

''(v) the status of small business concerns in the area to be served and an analysis of the availability of credit; and

''(vi) the qualifications of the applicant to carry out this subsection.

''(B) LOAN LIMITS.—No loan may be made to an eligible intermediary under this subsection if the total amount outstanding and committed to the eligible intermediary by the Administrator would, as a result of such loan, exceed $1,000,000 during the participation of the eligible intermediary in the Program.

''(C) LOAN DURATION.—Loans made by the Administrator under this subsection shall be for a term of 20 years.

''(D) APPLICABLE INTEREST RATES.—Loans made by the Administrator to an eligible intermediary under the Program shall bear an annual interest rate equal to 1.00 percent.

''(E) FEES; COLLATERAL.—The Administrator may not charge any fees or require

collateral with respect to any loan made to an eligible intermediary under this subsection.

''(F) DELAYED PAYMENTS.—The Administrator shall not require the repayment of principal or interest on a loan made to an eligible intermediary under the Program during the 2-year period beginning on the date of the initial disbursement of funds under that loan.

''(G) MAXIMUM PARTICIPANTS AND AMOUNTS.—During each of fiscal years 2011, 2012, and 2013, the Administrator may make loans under the Program—

''(i) to not more than 20 eligible intermediaries; and

''(ii) in a total amount of not more than $20,000,000.

''(5) LOANS TO SMALL BUSINESS CONCERNS.—

''(A) IN GENERAL.—The Administrator, through an eligible intermediary, shall make loans to startup, newly established, and growing small business concerns for working capital, real estate, and the acquisition of materials, supplies, furniture, fixtures, and equipment.

''(B) MAXIMUM LOAN.—An eligible intermediary may not make a loan under this subsection of more than $200,000 to any 1 small business concern.

''(C) APPLICABLE INTEREST RATES.—A loan made by an eligible intermediary to a small business concern under this subsection, may have a fixed or a variable interest rate, and shall bear an interest rate specified by the eligible intermediary in the application of the eligible intermediary for a loan under this subsection.

''(D) REVIEW RESTRICTIONS.—The Administrator may not review individual loans made by an eligible intermediary to a small business concern before approval of the loan by the eligible intermediary.

''(6) TERMINATION.—The authority of the Administrator to make loans under the Program shall terminate 3 years after the date of enactment of the Small Business Job Creation and Access to Capital Act of 2010.''.

(b) RULEMAKING AUTHORITY.—Not later than 180 days after the date of enactment of this Act, the Administrator shall issue regulations to carry out section 7(l) of the Small Business Act, as amended by subsection (a).

(c) AVAILABILITY OF FUNDS.—Any amounts provided to the Administrator for the purposes of carrying out section 7(l) of the Small Business Act, as amended by subsection (a), shall remain available until expended.

SEC. 1132. PUBLIC POLICY GOALS.

Section 501(d)(3) of the Small Business Investment Act of 1958 (15 U.S.C. 695(d)(3)) is amended—

(1) in subparagraph (J), by striking ''or'' at the end;

(2) in subparagraph (K), by striking the period at the end and inserting '', or''; and

(3) by adding at the end the following:

''(L) reduction of rates of unemployment in labor surplus areas, as such areas are determined by the Secretary of Labor.''.

SEC. 1133. DRAFT FLOOR PLAN PILOT PROGRAM EXTENSION.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) by redesignating paragraph (32), relating to increased veteran participation, as added by section 208 of the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008 (Public Law 110–186; 122 Stat. 631), as paragraph (33); and

(2) by adding at the end the following:

''(34) DEALER FLOOR PLAN FINANCING PROGRAM.—

''(A) DEFINITION.—In this paragraph, the term 'eligible retail good'—

''(i) means a good for which a title may be obtained under State law; and

''(ii) includes an automobile, recreational vehicle, boat, and manufactured home.

''(B) PROGRAM.—The Administrator may guarantee the timely payment of an open-end extension of credit to a small business concern, the proceeds of which may be used for the purchase of eligible retail goods for resale.

''(C) AMOUNT.—An open-end extension of credit guaranteed under this paragraph shall be in an amount not less than $500,000 and not more than $5,000,000.

''(D) TERM.—An open-end extension of credit guaranteed under this paragraph shall have a term of not more than 5 years.

''(E) GUARANTEE PERCENTAGE.—The Administrator may guarantee—

''(i) not less than 60 percent of an open-end extension of credit under this paragraph; and

''(ii) not more than 75 percent of an open-end extension of credit under this paragraph.

''(F) ADVANCE RATE.—The lender for an open-end extension of credit guaranteed under this paragraph may allow the borrower to draw funds on the line of credit in an amount equal to not more than 100 percent of the value of the eligible retail goods to be purchased.''.

(b) SUNSET.—Effective September 30, 2013, section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) by striking paragraph (34); and

(2) by redesignating paragraph (35), as added by section 1206 of this Act, as paragraph (34).

SEC. 1134. GUARANTEES FOR BONDS AND NOTES ISSUED FOR COMMUNITY OR ECONOMIC DEVELOPMENT PURPOSES.

The Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.) is amended by inserting after section 114 (12 U.S.C. 4713) the following:

''SEC. 114A. GUARANTEES FOR BONDS AND NOTES ISSUED FOR COMMUNITY OR ECONOMIC DEVELOPMENT PURPOSES.

''(a) DEFINITIONS.—In this section, the following definitions shall apply:

''(1) ELIGIBLE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term 'eligible community development financial institution' means a community development financial institution (as described in section 1805.201 of title 12, Code of Federal Regulations, or any successor thereto) certified by the Secretary that has applied to a qualified issuer for, or been granted by a qualified issuer, a loan under the Program.

''(2) ELIGIBLE COMMUNITY OR ECONOMIC DEVELOPMENT PURPOSE.—The term 'eligible community or economic development purpose'—

''(A) means any purpose described in section 108(b); and

''(B) includes the provision of community or economic development in low-income or underserved rural areas.

''(3) GUARANTEE.—The term 'guarantee' means a written agreement between the Secretary and a qualified issuer (or trustee), pursuant to which the Secretary ensures repayment of the verifiable losses of principal, interest, and call premium, if any, on notes or bonds issued by a qualified issuer to finance or refinance loans to eligible community development financial institutions.

''(4) LOAN.—The term 'loan' means any credit instrument that is extended under the Program for any eligible community or economic development purpose.

''(5) MASTER SERVICER.—

''(A) IN GENERAL.—The term 'master servicer' means any entity approved by the Secretary in accordance with subparagraph (B) to oversee the activities of servicers, as provided in subsection (f)(4).

''(B) APPROVAL CRITERIA FOR MASTER SERVICERS.—The Secretary shall approve or deny any application to become a master servicer under the Program not later than 90 days after the date on which all required information is submitted to the Secretary, based on the capacity and experience of the applicant in—

''(i) loan administration, servicing, and loan monitoring;

''(ii) managing regional or national loan intake, processing, or servicing operational systems and infrastructure;

''(iii) managing regional or national originator communication systems and infrastructure;

''(iv) developing and implementing training and other risk management strategies on a regional or national basis; and

''(v) compliance monitoring, investor relations, and reporting.

''(6) PROGRAM.—The term 'Program' means the guarantee Program for bonds and notes issued for eligible community or economic development purposes established under this section.

''(7) PROGRAM ADMINISTRATOR.—The term 'Program administrator' means an entity designated by the issuer to perform administrative duties, as provided in subsection (f)(2).

''(8) QUALIFIED ISSUER.—

''(A) IN GENERAL.—The term 'qualified issuer' means a community development financial institution (or any entity designated to issue notes or bonds on behalf of such community development financial institution) that meets the qualification requirements of this paragraph.

''(B) APPROVAL CRITERIA FOR QUALIFIED ISSUERS.—

''(i) IN GENERAL.—The Secretary shall approve a qualified issuer for a guarantee under the Program in accordance with the requirements of this paragraph, and such additional requirements as the Secretary may establish, by regulation.

''(ii) TERMS AND QUALIFICATIONS.—A qualified issuer shall—

''(I) have appropriate expertise, capacity, and experience, or otherwise be qualified to make loans for eligible community or economic development purposes;

''(II) provide to the Secretary—

''(aa) an acceptable statement of the proposed sources and uses of the funds; and

''(bb) a capital distribution plan that meets the requirements of subsection (c)(1); and

''(III) certify to the Secretary that the bonds or notes to be guaranteed are to be used for eligible community or economic development purposes.

''(C) DEPARTMENT OPINION; TIMING.—

''(i) DEPARTMENT OPINION.—Not later than 30 days after the date of a request by a qualified issuer for approval of a guarantee under the Program, the Secretary shall provide an opinion regarding compliance by the issuer with the requirements of the Program under this section.

''(ii) TIMING.—The Secretary shall approve or deny a guarantee under this section after consideration of the opinion provided to the Secretary under clause (i), and in no case later than 90 days after receipt of all required information by the Secretary with respect to a request for such guarantee.

''(9) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

''(10) SERVICER.—The term 'servicer' means an entity designated by the issuer to perform various servicing duties, as provided in subsection (f)(3).

''(b) GUARANTEES AUTHORIZED.—The Secretary shall guarantee payments on bonds or notes issued by any qualified issuer, if the proceeds of the bonds or notes are used in accordance with this section to make loans to

eligible community development financial institutions—

''(1) for eligible community or economic development purposes; or

''(2) to refinance loans or notes issued for such purposes.

''(c) GENERAL PROGRAM REQUIREMENTS.—

''(1) IN GENERAL.—A capital distribution plan meets the requirements of this subsection, if not less than 90 percent of the principal amount of guaranteed bonds or notes (other than costs of issuance fees) are used to make loans for any eligible community or economic development purpose, measured annually, beginning at the end of the 1-year period beginning on the issuance date of such guaranteed bonds or notes.

''(2) RELENDING ACCOUNT.—Not more than 10 percent of the principal amount of guaranteed bonds or notes, multiplied by an amount equal to the outstanding principal balance of issued notes or bonds, minus the risk-share pool amount under subsection (d), may be held in a relending account and may be made available for new eligible community or economic development purposes.

''(3) LIMITATIONS ON UNPAID PRINCIPAL BALANCES.—The proceeds of guaranteed bonds or notes under the Program may not be used to pay fees (other than costs of issuance fees), and shall be held in—

''(A) community or economic development loans;

''(B) a relending account, to the extent authorized under paragraph (2); or

''(C) a risk-share pool established under subsection (d).

''(4) REPAYMENT.—If a qualified issuer fails to meet the requirements of paragraph (1) by the end of the 90-day period beginning at the end of the annual measurement period, repayment shall be made on that portion of bonds or notes necessary to bring the bonds or notes that remain outstanding after such repayment into compliance with the 90 percent requirement of paragraph (1).

''(5) PROHIBITED USES.—The Secretary shall, by regulation—

''(A) prohibit, as appropriate, certain uses of amounts from the guarantee of a bond or note under the Program, including the use of such funds for political activities, lobbying, outreach, counseling services, or travel expenses; and

''(B) provide that the guarantee of a bond or note under the Program may not be used for salaries or other administrative costs of—

''(i) the qualified issuer; or

''(ii) any recipient of amounts from the guarantee of a bond or note.

''(d) RISK-SHARE POOL.—Each qualified issuer shall, during the term of a guarantee provided under the Program, establish a risk-share pool, capitalized by contributions from eligible community development financial institution participants an amount equal to 3 percent of the guaranteed amount outstanding on the subject notes and bonds.

''(e) GUARANTEES.—

''(1) IN GENERAL.—A guarantee issued under the Program shall—

''(A) be for the full amount of a bond or note, including the amount of principal, interest, and call premiums;

''(B) be fully assignable and transferable to the capital market, on terms and conditions that are consistent with comparable Government-guaranteed bonds, and satisfactory to the Secretary;

''(C) represent the full faith and credit of the United States; and

''(D) not exceed 30 years.

''(2) LIMITATIONS.—

''(A) ANNUAL NUMBER OF GUARANTEES.—The Secretary shall issue not more than 10 guarantees in any calendar year under the Program.

''(B) GUARANTEE AMOUNT.—The Secretary may not guarantee any amount under the Program equal to less than $100,000,000, but the total of all such guarantees in any fiscal year may not exceed $1,000,000,000.

''(f) SERVICING OF TRANSACTIONS.—

''(1) IN GENERAL.—To maximize efficiencies and minimize cost and interest rates, loans made under this section may be serviced by qualified Program administrators, bond servicers, and a master servicer.

''(2) DUTIES OF PROGRAM ADMINISTRATOR.—The duties of a Program administrator shall include—

''(A) approving and qualifying eligible community development financial institution applications for participation in the Program;

''(B) compliance monitoring;

''(C) bond packaging in connection with the Program; and

''(D) all other duties and related services that are customarily expected of a Program administrator.

''(3) DUTIES OF SERVICER.—The duties of a servicer shall include—

''(A) billing and collecting loan payments;

''(B) initiating collection activities on past-due loans;

''(C) transferring loan payments to the master servicing accounts;

''(D) loan administration and servicing;

''(E) systematic and timely reporting of loan performance through remittance and servicing reports;

''(F) proper measurement of annual outstanding loan requirements; and

''(G) all other duties and related services that are customarily expected of servicers.

''(4) DUTIES OF MASTER SERVICER.—The duties of a master servicer shall include—

''(A) tracking the movement of funds between the accounts of the master servicer and any other servicer;

''(B) ensuring orderly receipt of the monthly remittance and servicing reports of the servicer;

''(C) monitoring the collection comments and foreclosure actions;

''(D) aggregating the reporting and distribution of funds to trustees and investors;

''(E) removing and replacing a servicer, as necessary;

''(F) loan administration and servicing;

''(G) systematic and timely reporting of loan performance compiled from all bond servicers' reports;

''(H) proper distribution of funds to investors; and

''(I) all other duties and related services that are customarily expected of a master servicer.

''(g) FEES.—

''(1) IN GENERAL.—A qualified issuer that receives a guarantee issued under this section on a bond or note shall pay a fee to the Secretary, in an amount equal to 10 basis points of the amount of the unpaid principal of the bond or note guaranteed.

''(2) PAYMENT.—A qualified issuer shall pay the fee required under this subsection on an annual basis.

''(3) USE OF FEES.—Fees collected by the Secretary under this subsection shall be used to reimburse the Department of the Treasury for any administrative costs incurred by the Department in implementing the Program established under this section.

''(h) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Secretary, such sums as are necessary to carry out this section.

''(2) USE OF FEES.—To the extent that the amount of funds appropriated for a fiscal year under paragraph (1) are not sufficient to carry out this section, the Secretary may use the fees collected under subsection (g) for the cost of providing guarantees of bonds and notes under this section.

''(i) INVESTMENT IN GUARANTEED BONDS INELIGIBLE FOR COMMUNITY REINVESTMENT ACT PURPOSES.—Notwithstanding any other provision of law, any investment by a financial institution in bonds or notes guaranteed under the Program shall not be taken into account in assessing the record of such institution for purposes of the Community Reinvestment Act of 1977 (12 U.S.C. 2901).

''(j) ADMINISTRATION.—

''(1) REGULATIONS.—Not later than 1 year after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

''(2) IMPLEMENTATION.—Not later than 2 years after the date of enactment of this section, the Secretary shall implement this section.

''(k) TERMINATION.—This section is repealed, and the authority provided under this section shall terminate, on September 30, 2014.''.

SEC. 1135. TEMPORARY EXPRESS LOAN ENHANCEMENT.

(a) IN GENERAL.—Section 7(a)(31)(D) of the Small Business Act (15 U.S.C. 636(a)(31)(D)) is amended by striking ''$350,000'' and inserting ''$1,000,000''.

(b) PROSPECTIVE REPEAL.—Effective 1 year after the date of enactment of this Act, section 7(a)(31)(D) of the Small Business Act (15 U.S.C. 636(a)(31)(D)) is amended by striking ''$1,000,000'' and inserting ''$350,000''.

SEC. 1136. PROHIBITION ON USING TARP FUNDS OR TAX IN CREASES.

(a) IN GENERAL.—Except as provided in subsection (b), nothing in section 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1122, or 1131, or an amendment made by such sections, shall be construed to limit the ability of Congress to appropriate funds.

(b) TARP FUNDS AND TAX INCREASES.—

(1) IN GENERAL.—Any covered amounts may not be used to carry out section 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1122, or 1131, or an amendment made by such sections.

(2) DEFINITION.—In this subsection, the term ''covered amounts'' means—

(A) the amounts made available to the Secretary of the Treasury under title I of the Emergency Economic Stabilization Act of 2008 S.C. 5201 et seq.) to purchase (under section 101) or guarantee (under section 102) assets under that Act; and

(B) any revenue increase attributable to any amendment to the Internal Revenue Code of 1986 made during the period beginning on the date of enactment of this Act and ending on December 31, 2010.

Subtitle B—Small Business Trade and Exporting

SEC. 1201. SHORT TITLE.

This subtitle may be cited as the ''Small Business Export Enhancement and International Trade Act of 2010''.

SEC. 1202. DEFINITIONS.

(a) DEFINITIONS.—In this subtitle—

(1) the term ''Associate Administrator'' means the Associate Administrator for International Trade appointed under section 22(a)(2) of the Small Business Act, as amended by this subtitle;

(2) the term ''Export Assistance Center'' means a one-stop shop referred to in section 2301(b)(8) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4721(b)(8)); and

(3) the term ''rural small business concern'' means a small business concern located in a rural area, as that term is defined in section 1393(a)(2) of the Internal Revenue Code of 1986.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) DEFINITIONS.—Section 3 of the Small Business Act (15 U.S.C. 632) is amended by adding at the end the following:

''(t) SMALL BUSINESS DEVELOPMENT CENTER.—In this Act, the term 'small business development center' means a small business development center described in section 21.

''(u) REGION OF THE ADMINISTRATION.—In this Act, the term 'region of the Administration' means the geographic area served by a regional office of the Administration established under section 4(a).''.

(2) CONFORMING AMENDMENT.—Section 4(b)(3)(B)(x) of the Small Business Act (15 U.S.C. 633(b)(3)(B)(x)) is amended by striking ''Administration district and region'' and inserting ''district and region of the Administration''.

SEC. 1203. OFFICE OF INTERNATIONAL TRADE.

(a) ESTABLISHMENT.—Section 22 of the Small Business Act (15 U.S.C. 649) is amended—

(1) by striking ''SEC. 22. (a) There'' and inserting the following:

''SEC. 22. OFFICE OF INTERNATIONAL TRADE.

''(a) ESTABLISHMENT.—

''(1) OFFICE.—There''; and

(2) in subsection (a)—

(A) in paragraph (1), as so designated, by striking the period and inserting ''for the primary purposes of increasing—

''(A) the number of small business concerns that export; and

''(B) the volume of exports by small business concerns.''; and

(B) by adding at the end the following:

''(2) ASSOCIATE ADMINISTRATOR.—The head of the Office shall be the Associate Administrator for International Trade, who shall be responsible to the Administrator.''.

(b) AUTHORITY FOR ADDITIONAL ASSOCIATE ADMINISTRATOR.—Section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)) is amended—

(1) in the fifth sentence, by striking ''five Associate Administrators'' and inserting ''Associate Administrators''; and

(2) by adding at the end the following: ''One such Associate Administrator shall be the Associate Administrator for International Trade, who shall be the head of the Office of International Trade established under section 22.''.

(c) DISCHARGE OF INTERNATIONAL TRADE RESPONSIBILITIES OF ADMINISTRATION.—Section 22 of the Small Business Act (15 U.S.C. 649) is amended by adding at the end the following:

''(h) DISCHARGE OF INTERNATIONAL TRADE RESPONSIBILITIES OF ADMINISTRATION.—The Administrator shall ensure that—

''(1) the responsibilities of the Administration regarding international trade are carried out by the Associate Administrator;

''(2) the Associate Administrator has sufficient resources to carry out such responsibilities; and

''(3) the Associate Administrator has direct supervision and control over—

''(A) the staff of the Office; and

''(B) any employee of the Administration whose principal duty station is an Export Assistance Center, or any successor entity.''.

(d) ROLE OF ASSOCIATE ADMINISTRATOR IN CARRYING OUT INTERNATIONAL TRADE POLICY.—Section 2(b)(1) of the Small Business Act (15 U.S.C. 631(b)(1)) is amended in the matter preceding subparagraph (A)—

(1) by inserting ''the Administrator of'' before ''the Small Business Administration''; and

(2) by inserting ''through the Associate Administrator for International Trade, and'' before ''in cooperation with''.

(e) IMPLEMENTATION DATE.—Not later than 90 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall appoint an Associate Administrator for International Trade under section 22(a) of the Small Business Act (15 U.S.C. 649(a)), as added by this section.

SEC. 1204. DUTIES OF THE OFFICE OF INTERNATIONAL TRADE.

(a) AMENDMENTS TO SECTION 22.—Section 22 of the Small Business Act (15 U.S.C. 649) is amended—

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

''(b) TRADE DISTRIBUTION NETWORK.—The Associate Administrator, working in close cooperation with the Secretary of Commerce, the United States Trade Representative, the Secretary of Agriculture, the Secretary of State, the President of the Export-Import Bank of the United States, the President of the Overseas Private Investment Corporation, Director of the United States Trade and Development Agency, and other relevant Federal agencies, small business development centers engaged in export promotion efforts, Export Assistance Centers, regional and district offices of the Administration, the small business community, and relevant State and local export promotion programs, shall—

''(1) maintain a distribution network, using regional and district offices of the Administration, the small business development center network, networks of women's business centers, the Service Corps of Retired Executives authorized by section 8(b)(1), and Export Assistance Centers, for programs relating to—

''(A) trade promotion;

''(B) trade finance;

''(C) trade adjustment assistance;

''(D) trade remedy assistance; and

''(E) trade data collection;

''(2) aggressively market the programs described in paragraph (1) and disseminate information, including computerized marketing data, to small business concerns on exporting trends, market-specific growth, industry trends, and international prospects for exports;

''(3) promote export assistance programs through the district and regional offices of the Administration, the small business development center network, Export Assistance Centers, the network of women's business centers, chapters of the Service Corps of Retired Executives, State and local export promotion programs, and partners in the private sector; and

''(4) give preference in hiring or approving the transfer of any employee into the Office or to a position described in subsection (c)(9) to otherwise qualified applicants who are fluent in a language in addition to English, to—

''(A) accompany small business concerns on foreign trade missions; and

''(B) translate documents, interpret conversations, and facilitate multilingual transactions, including by providing referral lists for translation services, if required.'';

(2) in subsection (c)—

(A) by striking ''(c) The Office'' and inserting the following:

''(c) PROMOTION OF SALES OPPORTUNITIES.—The Associate Administrator'';

(B) by redesignating paragraphs (1) through (8) as paragraphs (2) through (9), respectively;

(C) by inserting before paragraph (2), as so redesignated, the following:

''(1) establish annual goals for the Office relating to—

''(A) enhancing the exporting capability of small business concerns and small manufacturers;

''(B) facilitating technology transfers;

''(C) enhancing programs and services to assist small business concerns and small manufacturers to compete effectively and efficiently against foreign entities;

''(D) increasing the ability of small business concerns to access capital; and

''(E) disseminating information concerning Federal, State, and private programs and initiatives;'';

(D) in paragraph (2), as so redesignated, by striking ''mechanism for'' and all that follows through ''(D) assisting'' and inserting the following: ''mechanism for—

''(A) identifying subsectors of the small business community with strong export potential;

''(B) identifying areas of demand in foreign markets;

''(C) prescreening foreign buyers for commercial and credit purposes; and

''(D) assisting'';

(E) in paragraph (3), as so redesignated, by striking ''assist small businesses in the formation and utilization of'' and inserting ''assist small business concerns in forming and using'';

(F) in paragraph (4), as so redesignated—

(i) by striking ''local'' and inserting ''district'';

(ii) by striking ''existing'';

(iii) by striking ''Small Business Development Center network'' and inserting ''small business development center network''; and

(iv) by striking ''Small Business Development Center Program'' and inserting ''small business development center program'';

(G) in paragraph (5), as so redesignated—

(i) in subparagraph (A), by striking ''Gross State Produce'' and inserting ''Gross State Product'';

(ii) in subparagraph (B), by striking ''SIC'' each place it appears and inserting ''North American Industry Classification System''; and

(iii) in subparagraph (C), by striking ''small businesses'' and inserting ''small business concerns'';

(H) in paragraph (6), as so redesignated, by striking the period at the end and inserting a semicolon;

(I) in paragraph (7), as so redesignated—

(i) in the matter preceding subparagraph (A)—

(I) by inserting ''concerns'' after ''small business''; and

(II) by striking ''current'' and inserting ''up to date'';

(ii) in subparagraph (A), by striking ''Administration's regional offices'' and inserting ''regional and district offices of the Administration'';

(iii) in subparagraph (B) by striking ''current'';

(iv) in subparagraph (C), by striking ''current''; and

(v) by striking ''small businesses'' each place that term appears and inserting ''small business concerns'';

(J) in paragraph (8), as so redesignated, by striking and at the end;

(K) in paragraph (9), as so redesignated—

(i) in the matter preceding subparagraph (A)—

(I) by striking ''full-time export development specialists to each Administration regional office and assigning''; and

(II) by striking ''person in each district office. Such specialists'' and inserting ''individual in each district office and providing each Administration regional office with a full-time export development specialist, who'';

(ii) in subparagraph (B)—

(I) by striking ''current''; and

(II) by striking ''with'' and inserting ''in'';

(iii) in subparagraph (D)—

(I) by striking ''Administration personnel involved in granting'' and inserting ''personnel of the Administration involved in making''; and

(II) by striking ''and'' at the end;

(iv) in subparagraph (E)—

(I) by striking ''small businesses' needs'' and inserting ''the needs of small business concerns''; and

(II) by striking the period at the end and inserting a semicolon;

(v) by adding at the end the following:

''(F) participate, jointly with employees of the Office, in an annual training program that focuses on current small business needs for exporting; and

''(G) develop and conduct training programs for exporters and lenders, in cooperation with the Export Assistance Centers, the Department of Commerce, the Department of Agriculture, small business development centers, women's business centers, the Export-Import Bank of the United States, the Overseas Private Investment Corporation, and other relevant Federal agencies;''; and

(vi) by striking ''small businesses'' each place that term appears and inserting ''small business concerns''; and

(L) by adding at the end the following:

''(10) make available on the website of the Administration the name and contact information of each individual described in paragraph (9);

''(11) carry out a nationwide marketing effort using technology, online resources, training, and other strategies to promote exporting as a business development opportunity for small business concerns;

''(12) disseminate information to the small business community through regional and district offices of the Administration, the small business development center network, Export Assistance Centers, the network of women's business centers, chapters of the Service Corps of Retired Executives authorized by section 8(b)(1), State and local export promotion programs, and partners in the private sector regarding exporting trends, market-specific growth, industry trends, and prospects for exporting; and

''(13) establish and carry out training programs for the staff of the regional and district offices of the Administration and resource partners of the Administration on export promotion and providing assistance relating to exports.'';

(3) in subsection (d)—

(A) by redesignating paragraphs (1) through (5) as clauses (i) through (v), respectively, and adjusting the margins accordingly;

(B) by striking ''(d) The Office'' and inserting the following:

''(d) EXPORT FINANCING PROGRAMS.—

''(1) IN GENERAL.—The Associate Administrator''; and

(C) by striking ''To accomplish this goal, the Office shall work'' and inserting the following:

''(2) TRADE FINANCE SPECIALIST.—To accomplish the goal established under paragraph (1), the Associate Administrator shall—

''(A) designate at least 1 individual within the Administration as a trade finance specialist to oversee international loan programs and assist Administration employees with trade finance issues; and

''(B) work'';

(4) in subsection (e), by striking ''(e) The Office'' and inserting the following:

''(e) TRADE REMEDIES.—The Associate Administrator'';

(5) by amending subsection (f) to read as follows:

''(f) REPORTING REQUIREMENT.—The Associate Administrator shall submit an annual report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives that contains—

''(1) a description of the progress of the Office in implementing the requirements of this section;

''(2) a detailed account of the results of export growth activities of the Administration, including the activities of each district and regional office of the Administration, based on the performance measures described in subsection (i);

''(3) an estimate of the total number of jobs created or retained as a result of export assistance provided by the Administration and resource partners of the Administration;

''(4) for any travel by the staff of the Office, the destination of such travel and the benefits to the Administration and to small business concerns resulting from such travel; and

''(5) a description of the participation by the Office in trade negotiations.'';

(6) in subsection (g), by striking ''(g) The Office'' and inserting the following:

''(g) STUDIES.—The Associate Administrator''; and

(7) by adding after subsection (h), as added by section 1203 of this subtitle, the following:

''(i) EXPORT AND TRADE COUNSELING.—

''(1) DEFINITION.—In this subsection—

''(A) the term 'lead small business development center' means a small business development center that has received a grant from the Administration; and

''(B) the term 'lead women's business center' means a women's business center that has received a grant from the Administration.

''(2) CERTIFICATION PROGRAM.—The Administrator shall establish an export and trade counseling certification program to certify employees of lead small business development centers and lead women's business centers in providing export assistance to small business concerns.

''(3) NUMBER OF CERTIFIED EMPLOYEES.—The Administrator shall ensure that the number of employees of each lead small business development center who are certified in providing export assistance is not less than the lesser of—

''(A) 5; or

''(B) 10 percent of the total number of employees of the lead small business development center.

''(4) REIMBURSEMENT FOR CERTIFICATION.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Administrator shall reimburse a lead small business development center or a lead women's business center for costs relating to the certification of an employee of the lead small business center or lead women's business center in providing export assistance under the program established under paragraph (2).

''(B) LIMITATION.—The total amount reimbursed by the Administrator under subparagraph (A) may not exceed $350,000 in any fiscal year.

''(j) PERFORMANCE MEASURES.—

''(1) IN GENERAL.—The Associate Administrator shall develop performance measures for the Administration to support export growth goals for the activities of the Office under this section that include—

''(A) the number of small business concerns that—

''(i) receive assistance from the Administration;

''(ii) had not exported goods or services before receiving the assistance described in clause (i); and

''(iii) export goods or services;

''(B) the number of small business concerns receiving assistance from the Administration that export goods or services to a market outside the United States into which the small business concern did not export before receiving the assistance;

''(C) export revenues by small business concerns assisted by programs of the Administration;

''(D) the number of small business concerns referred to an Export Assistance Center or a small business development center by the staff of the Office;

''(E) the number of small business concerns referred to the Administration by an Export Assistance Center or a small business development center; and

''(F) the number of small business concerns referred to the Department of Commerce, the Department of Agriculture, the Department of State, the Export-Import Bank of the United States, the Overseas Private Investment Corporation, or the United States Trade and Development Agency by the staff of the Office, an Export Assistance Center, or a small business development center.

''(2) JOINT PERFORMANCE MEASURES.—The Associate Administrator shall develop joint performance measures for the district offices of the Administration and the Export Assistance Centers that include the number of export loans made under—

''(A) section 7(a)(16);

''(B) the Export Working Capital Program established under section 7(a)(14);

''(C) the Preferred Lenders Program, as defined in section 7(a)(2)(C)(ii); and

''(D) the export express program established under section 7(a)(34).

''(3) CONSISTENCY OF TRACKING.—The Associate Administrator, in coordination with the departments and agencies that are represented on the Trade Promotion Coordinating Committee established under section 2312 of the Export Enhancement Act of 1988 (15 U.S.C. 4727) and the small business development center network, shall develop a system to track exports by small business concerns, including information relating to the performance measures developed under paragraph (1), that is consistent with systems used by the departments and agencies and the network.''.

(b) REPORT.—Not later than 60 days after the date of enactment of this Act, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives on any travel by the staff of the Office of International Trade of the Administration, during the period beginning on October 1, 2004, and ending on the date of enactment of the Act, including the destination of such travel and the benefits to the Administration and to small business concerns resulting from such travel.

SEC. 1205. EXPORT ASSISTANCE CENTERS.

(a) EXPORT ASSISTANCE CENTERS.—Section 22 of the Small Business Act (15 U.S.C. 649), as amended by this subtitle, is amended by adding at the end the following:

''(k) EXPORT ASSISTANCE CENTERS.—

''(1) EXPORT FINANCE SPECIALISTS.—

''(A) MINIMUM NUMBER OF EXPORT FINANCE SPECIALISTS.—On and after the date that is 90 days after the date of enactment of this subsection, the Administrator, in coordination with the Secretary of Commerce, shall ensure that the number of export finance specialists is not less than the number of such employees so assigned on January 1, 2003.

''(B) EXPORT FINANCE SPECIALISTS ASSIGNED TO EACH REGION OF THE ADMINISTRATION.—On and after the date that is 2 years after the date of enactment of this subsection, the Administrator, in coordination with the Secretary of Commerce, shall ensure that there are not fewer than 3 export finance specialists in each region of the Administration.

''(2) PLACEMENT OF EXPORT FINANCE SPECIALISTS.—

''(A) PRIORITY.—The Administrator shall give priority, to the maximum extent practicable, to placing employees of the Administration at any Export Assistance Center that—

''(i) had an Administration employee assigned to the Export Assistance Center before January 2003; and

''(ii) has not had an Administration employee assigned to the Export Assistance Center during the period beginning January 2003, and ending on the date of enactment of this subsection, either through retirement or reassignment.

''(B) NEEDS OF EXPORTERS.—The Administrator shall, to the maximum extent practicable, strategically assign Administration employees to Export Assistance Centers, based on the needs of exporters.

''(C) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to require the Administrator to reassign or remove an export finance specialist who is assigned to an Export Assistance Center on the date of enactment of this subsection.

''(3) GOALS.—The Associate Administrator shall work with the Department of Commerce, the Export-Import Bank of the United States, and the Overseas Private Investment Corporation to establish shared annual goals for the Export Assistance Centers.

''(4) OVERSIGHT.—The Associate Administrator shall designate an individual within the Administration to oversee all activities conducted by Administration employees assigned to Export Assistance Centers.

''(l) DEFINITIONS.—In this section—

''(1) the term 'Associate Administrator' means the Associate Administrator for International Trade described in subsection (a)(2);

''(2) the term 'Export Assistance Center' means a one-stop shop for United States exporters established by the United States and Foreign Commercial Service of the Department of Commerce pursuant to section 2301(b)(8) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4721(b)(8));

''(3) the term 'export finance specialist' means a full-time equivalent employee of the Office assigned to an Export Assistance Center to carry out the duties described in subsection (e); and

''(4) the term 'Office' means the Office of International Trade established under subsection (a)(1).''.

(b) STUDY AND REPORT ON FILLING GAPS IN HIGH-AND-LOW-EXPORT VOLUME AREAS.—

(1) STUDY AND REPORT.—Not later than 6 months after the date of enactment of this Act, and every 2 years thereafter, the Administrator shall—

(A) conduct a study of—

(i) the volume of exports for each State;

(ii) the availability of export finance specialists in each State;

(iii) the number of exporters in each State that are small business concerns;

(iv) the percentage of exporters in each State that are small business concerns;

(v) the change, if any, in the number of exporters that are small business concerns in each State—

(I) for the first study conducted under this subparagraph, during the 10-year period ending on the date of enactment of this Act; and

(II) for each subsequent study, during the 10-year period ending on the date the study is commenced;

(vi) the total value of the exports in each State by small business concerns;

(vii) the percentage of the total volume of exports in each State that is attributable to small business concerns; and

(viii) the change, if any, in the percentage of the total volume of exports in each State that is attributable to small business concerns—

(I) for the first study conducted under this subparagraph, during the 10-year period ending on the date of enactment of this Act; and

(II) for each subsequent study, during the 10-year period ending on the date the study is commenced; and

(B) submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report containing—

(i) the results of the study under subparagraph (A);

(ii) to the extent practicable, a recommendation regarding how to eliminate gaps between the supply of and demand for export finance specialists in the 15 States that have the greatest volume of exports, based upon the most recent data available from the Department of Commerce;

(iii) to the extent practicable, a recommendation regarding how to eliminate gaps between the supply of and demand for export finance specialists in the 15 States that have the lowest volume of exports, based upon the most recent data available from the Department of Commerce; and

(iv) such additional information as the Administrator determines is appropriate.

(2) DEFINITION.—In this subsection, the term ''export finance specialist'' has the meaning given that term in section 22(l) of the Small Business Act, as added by this title.

SEC. 1206. INTERNATIONAL TRADE FINANCE PROGRAMS.

(a) LOAN LIMITS.—

(1) TOTAL AMOUNT OUTSTANDING.—Section 7(a)(3)(B) of the Small Business Act (15 U.S.C. 636(a)(3)(B)) is amended by striking ''$1,750,000, of which not more than $1,250,000'' and inserting ''$4,500,000 (or if the gross loan amount would exceed $5,000,000), of which not more than $4,000,000''.

(2) PARTICIPATION.—Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended—

(A) in subparagraph (A), in the matter preceding clause (i), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B), (D), and (E)'';

(B) in subparagraph (D), by striking ''Notwithstanding subparagraph (A), in'' and inserting ''In''; and

(C) by adding at the end the following:

''(E) PARTICIPATION IN INTERNATIONAL TRADE LOAN.—In an agreement to participate in a loan on a deferred basis under paragraph (16), the participation by the Administration may not exceed 90 percent.''.

(b) WORKING CAPITAL.—Section 7(a)(16)(A) of the Small Business Act (15 U.S.C. 636(a)(16)(A)) is amended—

(1) in the matter preceding clause (i), by striking ''in—'' and inserting ''—'';

(2) in clause (i)—

(A) by inserting ''in'' after ''(i)''; and

(B) by striking ''or'' at the end;

(3) in clause (ii)—

(A) by inserting ''in'' after ''(ii)''; and

(B) by striking the period at the end and inserting '', including any debt that qualifies for refinancing under any other provision of this subsection; or''; and

(4) by adding at the end the following:

''(iii) by providing working capital.''.

(c) COLLATERAL.—Section 7(a)(16)(B) of the Small Business Act (15 U.S.C. 636(a)(16)(B)) is amended—

(1) by striking ''Each loan'' and inserting the following:

''(i) IN GENERAL.—Except as provided in clause (ii), each loan''; and

(2) by adding at the end the following:

''(ii) EXCEPTION.—A loan under this paragraph may be secured by a second lien position on the property or equipment financed by the loan or on other assets of the small business concern, if the Administrator determines the lien provides adequate assurance of the payment of the loan.''.

(d) EXPORT WORKING CAPITAL PROGRAM.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) in paragraph (2)(D), by striking ''not exceed'' and inserting ''be''; and

(2) in paragraph (14)—

(A) by striking ''(A) The Administration'' and inserting the following: ''EXPORT WORKING CAPITAL PROGRAM.—

''(A) IN GENERAL.—The Administrator'';

(B) by striking ''(B) When considering'' and inserting the following:

''(C) CONSIDERATIONS.—When considering'';

(C) by striking ''(C) The Administration'' and inserting the following:

''(D) MARKETING.—The Administrator''; and

(D) by inserting after subparagraph (A) the following:

''(B) TERMS.—

''(i) LOAN AMOUNT.—The Administrator may not guarantee a loan under this paragraph of more than $5,000,000.

''(ii) FEES.—

''(I) IN GENERAL.—For a loan under this paragraph, the Administrator shall collect the fee assessed under paragraph (23) not more frequently than once each year.

''(II) UNTAPPED CREDIT.—The Administrator may not assess a fee on capital that is not accessed by the small business concern.''.

(e) PARTICIPATION IN PREFERRED LENDERS PROGRAM.—Section 7(a)(2)(C) of the Small Business Act (15 U.S.C. 636(a)(2)(C)) is amended—

(1) by redesignating clause (ii) as clause (iii); and

(2) by inserting after clause (i) the following:

''(ii) EXPORT-IMPORT BANK LENDERS.—Any lender that is participating in the Delegated Authority Lender Program of the Export-Import Bank of the United States (or any successor to the Program) shall be eligible to participate in the Preferred Lenders Program.''.

(f) EXPORT EXPRESS PROGRAM.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

''(35) EXPORT EXPRESS PROGRAM.—

''(A) DEFINITIONS.—In this paragraph—

''(i) the term 'export development activity' includes—

''(I) obtaining a standby letter of credit when required as a bid bond, performance bond, or advance payment guarantee;

''(II) participation in a trade show that takes place outside the United States;

''(III) translation of product brochures or catalogues for use in markets outside the United States;

''(IV) obtaining a general line of credit for export purposes;

''(V) performing a service contract from buyers located outside the United States;

''(VI) obtaining transaction-specific financing associated with completing export orders;

''(VII) purchasing real estate or equipment to be used in the production of goods or services for export;

''(VIII) providing term loans or other financing to enable a small business concern, including an export trading company and an export management company, to develop a market outside the United States; and

''(IX) acquiring, constructing, renovating, modernizing, improving, or expanding a production facility or equipment to be used in the United States in the production of goods or services for export; and

''(ii) the term 'express loan' means a loan in which a lender uses to the maximum extent practicable the loan analyses, procedures, and documentation of the lender to

provide expedited processing of the loan application.

''(B) AUTHORITY.—The Administrator may guarantee the timely payment of an express loan to a small business concern made for an export development activity.

''(C) LEVEL OF PARTICIPATION.—

''(i) MAXIMUM AMOUNT.—The maximum amount of an express loan guaranteed under this paragraph shall be $500,000.

''(ii) PERCENTAGE.—For an express loan guaranteed under this paragraph, the Administrator shall guarantee—

''(I) 90 percent of a loan that is not more than $350,000; and

''(II) 75 percent of a loan that is more than $350,000 and not more than $500,000.''.

(g) ANNUAL LISTING OF EXPORT FINANCE LENDERS.—Section 7(a)(16) of the Small Business Act (15 U.S.C. 636(a)(16)) is amended by adding at the end the following:

''(F) LIST OF EXPORT FINANCE LENDERS.—

''(i) PUBLICATION OF LIST REQUIRED.—The Administrator shall publish an annual list of the banks and participating lending institutions that, during the 1-year period ending on the date of publication of the list, have made loans guaranteed by the Administration under—

''(I) this paragraph;

''(II) paragraph (14); or

''(III) paragraph (34).

''(ii) AVAILABILITY OF LIST.—The Administrator shall—

''(I) post the list published under clause (i) on the website of the Administration; and

''(II) make the list published under clause (i) available, upon request, at each district office of the Administration.''.

(h) APPLICABILITY.—The amendments made by subsections (a) through (f) shall apply with respect to any loan made after the date of enactment of this Act.

SEC. 1207. STATE TRADE AND EXPORT PROMOTION GRANT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term ''eligible small business concern'' means a small business concern that—

(A) has been in business for not less than the 1-year period ending on the date on which assistance is provided using a grant under this section;

(B) is operating profitably, based on operations in the United States;

(C) has demonstrated understanding of the costs associated with exporting and doing business with foreign purchasers, including the costs of freight forwarding, customs brokers, packing and shipping, as determined by the Associate Administrator; and

(D) has in effect a strategic plan for exporting;

(2) the term ''program'' means the State Trade and Export Promotion Grant Program established under subsection (b);

(3) the term ''small business concern owned and controlled by women'' has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 632);

(4) the term ''socially and economically disadvantaged small business concern'' has the meaning given that term in section 8(a)(4)(A) of the Small Business Act (15 U.S.C. 6537(a)(4)(A)); and

(5) the term ''State'' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(b) ESTABLISHMENT OF PROGRAM.—The Associate Administrator shall establish a 3-year trade and export promotion pilot program to be known as the State Trade and Export Promotion Grant Program, to make grants to States to carry out export programs that assist eligible small business concerns in—

(1) participation in a foreign trade mission;

(2) a foreign market sales trip;

(3) a subscription to services provided by the Department of Commerce;

(4) the payment of website translation fees;

(5) the design of international marketing media;

(6) a trade show exhibition;

(7) participation in training workshops; or

(8) any other export initiative determined appropriate by the Associate Administrator.

(c) GRANTS.—

(1) JOINT REVIEW.—In carrying out the program, the Associate Administrator may make a grant to a State to increase the number of eligible small business concerns in the State that export or to increase the value of the exports by eligible small business concerns in the State.

(2) CONSIDERATIONS.—In making grants under this section, the Associate Administrator may give priority to an application by a State that proposes a program that—

(A) focuses on eligible small business concerns as part of an export promotion program;

(B) demonstrates success in promoting exports by—

(i) socially and economically disadvantaged small business concerns;

(ii) small business concerns owned or controlled by women; and

(iii) rural small business concerns;

(C) promotes exports from a State that is not 1 of the 10 States with the highest percentage of exporters that are small business concerns, based upon the latest data available from the Department of Commerce; and

(D) promotes new-to-market export opportunities to the People's Republic of China for eligible small business concerns in the United States.

(3) LIMITATIONS.—

(A) SINGLE APPLICATION.—A State may not submit more than 1 application for a grant under the program in any 1 fiscal year.

(B) PROPORTION OF AMOUNTS.—The total value of grants under the program made during a fiscal year to the 10 States with the highest number of exporters that are small business concerns, based upon the latest data available from the Department of Commerce, shall be not more than 40 percent of the amounts appropriated for the program for that fiscal year.

(4) APPLICATION.—A State desiring a grant under the program shall submit an application at such time, in such manner, and accompanied by such information as the Associate Administrator may establish.

(d) COMPETITIVE BASIS.—The Associate Administrator shall award grants under the program on a competitive basis.

(e) FEDERAL SHARE.—The Federal share of the cost of an export program carried out using a grant under the program shall be—

(1) for a State that has a high export volume, as determined by the Associate Administrator, not more than 65 percent; and

(2) for a State that does not have a high export volume, as determined by the Associate Administrator, not more than 75 percent.

(f) NON-FEDERAL SHARE.—The non-Federal share of the cost of an export program carried using a grant under the program shall be comprised of not less than 50 percent cash and not more than 50 percent of indirect costs and in-kind contributions, except that no such costs or contributions may be derived from funds from any other Federal program.

(g) REPORTS.—

(1) INITIAL REPORT.—Not later than 120 days after the date of enactment of this Act, the Associate Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report, which shall include—

(A) a description of the structure of and procedures for the program;

(B) a management plan for the program; and

(C) a description of the merit-based review process to be used in the program.

(2) ANNUAL REPORTS.—The Associate Administrator shall submit an annual report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives regarding the program, which shall include—

(A) the number and amount of grants made under the program during the preceding year;

(B) a list of the States receiving a grant under the program during the preceding year, including the activities being performed with grant; and

(C) the effect of each grant on exports by eligible small business concerns in the State receiving the grant.

(h) REVIEWS BY INSPECTOR GENERAL.—

(1) IN GENERAL.—The Inspector General of the Administration shall conduct a review of—

(A) the extent to which recipients of grants under the program are measuring the performance of the activities being conducted and the results of the measurements; and

(B) the overall management and effectiveness of the program.

(2) REPORT.—Not later than September 30, 2012, the Inspector General of the Administration shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding the review conducted under paragraph (1).

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the program $30,000,000 for each of fiscal years 2011, 2012, and 2013.

(j) TERMINATION.—The authority to carry out the program shall terminate 3 years after the date on which the Associate Administrator establishes the program.

SEC. 1208. RURAL EXPORT PROMOTION.

Not later than 6 months after the date of enactment of this Act, the Administrator, in consultation with the Secretary of Agriculture and the Secretary of Commerce, shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report that contains—

(1) a description of each program of the Administration that promotes exports by rural small business concerns, including—

(A) the number of rural small business concerns served by the program;

(B) the change, if any, in the number of rural small business concerns as a result of participation in the program during the 10-year period ending on the date of enactment of this Act;

(C) the volume of exports by rural small business concerns that participate in the program; and

(D) the change, if any, in the volume of exports by rural small businesses that participate in the program during the 10-year period ending on the date of enactment of this Act;

(2) a description of the coordination between programs of the Administration and other Federal programs that promote exports by rural small business concerns;

(3) recommendations, if any, for improving the coordination described in paragraph (2);

(4) a description of any plan by the Administration to market the international trade financing programs of the Administration through lenders that—

(A) serve rural small business concerns; and

(B) are associated with financing programs of the Department of Agriculture;

(5) recommendations, if any, for improving coordination between the counseling programs and export financing programs of the Administration, in order to increase the volume of exports by rural small business concerns; and

(6) any additional information the Administrator determines is necessary.

SEC. 1209. INTERNATIONAL TRADE COOPERATION BY SMALL BUSINESS DEVELOPMENT CENTERS.

Section 21(a) of the Small Business Act (15 U.S.C. 648(a)) is amended—

(1) by striking ''(2) The Small Business Development Centers'' and inserting the following:

''(2) COOPERATION TO PROVIDE INTERNATIONAL TRADE SERVICES.—

''(A) INFORMATION AND SERVICES.—The small business development centers''; and

(2) in paragraph (2)—

(A) in subparagraph (A), as so designated, by inserting ''(including State trade agencies),'' after ''local agencies''; and

(B) by adding at the end the following:

''(B) COOPERATION WITH STATE TRADE AGENCIES AND EXPORT ASSISTANCE CENTERS.—A small business development center that counsels a small business concern on issues relating to international trade shall—

''(i) consult with State trade agencies and Export Assistance Centers to provide appropriate services to the small business concern; and

''(ii) as necessary, refer the small business concern to a State trade agency or an Export Assistance Center for further counseling or assistance.

''(C) DEFINITION.—In this paragraph, the term 'Export Assistance Center' has the same meaning as in section 22.''.

Subtitle C—Small Business Contracting

PART I—CONTRACT BUNDLING

SEC. 1311. SMALL BUSINESS ACT.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1202, is amended by adding at the end the following:

''(v) MULTIPLE AWARD CONTRACT.—In this Act, the term 'multiple award contract' means—

''(1) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

''(2) any other indefinite delivery, indefinite quantity contract that is entered into by the head of a Federal agency with 2 or more sources pursuant to the same solicitation.''.

SEC. 1312. LEADERSHIP AND OVERSIGHT.

(a) IN GENERAL.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended by adding at the end the following:

''(q) BUNDLING ACCOUNTABILITY MEASURES.—

''(1) TEAMING REQUIREMENTS.—Each Federal agency shall include in each solicitation for any multiple award contract above the substantial bundling threshold of the Federal agency a provision soliciting bids from any responsible source, including responsible small business concerns and teams or joint ventures of small business concerns.

''(2) POLICIES ON REDUCTION OF CONTRACT BUNDLING.—

''(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Federal Acquisition Regulatory Council established under section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 4219(a)) shall amend the Federal Acquisition Regulation issued under section 25 of such Act to—

''(i) establish a Government-wide policy regarding contract bundling, including regarding the solicitation of teaming and joint ventures under paragraph (1); and

''(ii) require that the policy established under clause (i) be published on the website of each Federal agency.

''(B) RATIONALE FOR CONTRACT BUNDLING.—Not later than 30 days after the date on which the head of a Federal agency submits data certifications to the Administrator for Federal Procurement Policy, the head of the Federal agency shall publish on the website of the Federal agency a list and rationale for any bundled contract for which the Federal agency solicited bids or that was awarded by the Federal agency.

''(3) REPORTING.—Not later than 90 days after the date of enactment of this subsection, and every 3 years thereafter, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding procurement center representatives and commercial market representatives, which shall—

''(A) identify each area for which the Administration has assigned a procurement center representative or a commercial market representative;

''(B) explain why the Administration selected the areas identified under subparagraph (A); and

''(C) describe the activities performed by procurement center representatives and commercial market representatives.''.

(b) TECHNICAL CORRECTION.—Section 15(g) of the Small Business Act (15 U.S.C. 644(g)) is amended by striking ''Administrator of the Office of Federal Procurement Policy'' each place it appears and inserting ''Administrator for Federal Procurement Policy''.

(c) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report regarding the procurement center representative program of the Administration.

(2) CONTENTS.—The report submitted under paragraph (1) shall—

(A) address ways to improve the effectiveness of the procurement center representative program in helping small business concerns obtain Federal contracts;

(B) evaluate the effectiveness of procurement center representatives and commercial marketing representatives; and

(C) include recommendations, if any, on how to improve the procurement center representative program.

(d) ELECTRONIC PROCUREMENT CENTER REPRESENTATIVE.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator shall implement a 3-year pilot electronic procurement center representative program.

(2) REPORT.—Not later than 30 days after the pilot program under paragraph (1) ends, the Comptroller General of the United States shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding the pilot program.

SEC. 1313. CONSOLIDATION OF CONTRACT REQUIREMENTS.

(a) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 44 as section 45; and

(2) by inserting after section 43 the following:

''SEC. 44. CONSOLIDATION OF CONTRACT REQUIREMENTS.

''(a) DEFINITIONS.—In this section—

''(1) the term 'Chief Acquisition Officer' means the employee of a Federal agency designated as the Chief Acquisition Officer for the Federal agency under section 16(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(a));

''(2) the term 'consolidation of contract requirements', with respect to contract requirements of a Federal agency, means a use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy 2 or more requirements of the Federal agency for goods or services that have been provided to or performed for the Federal agency under 2 or more separate contracts lower in cost than the total cost of the contract for which the offers are solicited; and

''(3) the term 'senior procurement executive' means an official designated under section 16(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(c)) as the senior procurement executive for a Federal agency.

''(b) POLICY.—The head of each Federal agency shall ensure that the decisions made by the Federal agency regarding consolidation of contract requirements of the Federal agency are made with a view to providing small business concerns with appropriate opportunities to participate as prime contractors and subcontractors in the procurements of the Federal agency.

''(c) LIMITATION ON USE OF ACQUISITION STRATEGIES INVOLVING CONSOLIDATION.—

''(1) IN GENERAL.—Subject to paragraph (4), the head of a Federal agency may not carry out an acquisition strategy that includes a consolidation of contract requirements of the Federal agency with a total value of more than $2,000,000, unless the senior procurement executive or Chief Acquisition Officer for the Federal agency, before carrying out the acquisition strategy—

''(A) conducts market research;

''(B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements;

''(C) makes a written determination that the consolidation of contract requirements is necessary and justified;

''(D) identifies any negative impact by the acquisition strategy on contracting with small business concerns; and

''(E) certifies to the head of the Federal agency that steps will be taken to include small business concerns in the acquisition strategy.

''(2) DETERMINATION THAT CONSOLIDATION IS NECESSARY AND JUSTIFIED.—

''(A) IN GENERAL.—A senior procurement executive or Chief Acquisition Officer may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for the purposes of paragraph (1)(C) if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contracting approaches identified under paragraph (1)(B).

''(B) SAVINGS IN ADMINISTRATIVE OR PERSONNEL COSTS.—For purposes of subparagraph (A), savings in administrative or personnel costs alone do not constitute a sufficient justification for a consolidation of contract requirements in a procurement unless the expected total amount of the cost savings, as determined by the senior procurement executive or Chief Acquisition Officer, is expected to be substantial in relation to the total cost of the procurement.

''(3) BENEFITS TO BE CONSIDERED.—The benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts—

''(A) quality;

''(B) acquisition cycle;

''(C) terms and conditions; and

''(D) any other benefit.

''(4) DEPARTMENT OF DEFENSE.—

''(A) IN GENERAL.—The Department of Defense and each military department shall comply with this section until after the date described in subparagraph (C).

''(B) RULE.—After the date described in subparagraph (C), contracting by the Department of Defense or a military department shall be conducted in accordance with section 2382 of title 10, United States Code.

''(C) DATE.—The date described in this subparagraph is the date on which the Administrator determines the Department of Defense or a military department is in compliance with the Government-wide contracting goals under section 15.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 2382(b)(1) of title 10, United States Code, is amended by striking ''An official'' and inserting ''Subject to section 44(c)(4), an official''.

SEC. 1314. SMALL BUSINESS TEAMS PILOT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term ''Pilot Program'' means the Small Business Teaming Pilot Program established under subsection (b); and

(2) the term ''eligible organization'' means a well-established national organization for small business concerns with the capacity to provide assistance to small business concerns (which may be provided with the assistance of the Administrator) relating to—

(A) customer relations and outreach;

(B) team relations and outreach; and

(C) performance measurement and quality assurance.

(b) ESTABLISHMENT.—The Administrator shall establish a Small Business Teaming Pilot Program for teaming and joint ventures involving small business concerns.

(c) GRANTS.—Under the Pilot Program, the Administrator may make grants to eligible organizations to provide assistance and guidance to teams of small business concerns seeking to compete for larger procurement contracts.

(d) CONTRACTING OPPORTUNITIES.—The Administrator shall work with eligible organizations receiving a grant under the Pilot Program to recommend appropriate contracting opportunities for teams or joint ventures of small business concerns.

(e) REPORT.—Not later than 1 year before the date on which the authority to carry out the Pilot Program terminates under subsection (f), the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the effectiveness of the Pilot Program.

(f) TERMINATION.—The authority to carry out the Pilot Program shall terminate 5 years after the date of enactment of this Act.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under subsection (c) $5,000,000 for each of fiscal years 2010 through 2015.

PART II—SUBCONTRACTING INTEGRITY

SEC. 1321. SUBCONTRACTING MISREPRESENTATIONS.

Not later than 1 year after the date of enactment of this Act, the Administrator, in consultation with the Administrator for Federal Procurement Policy, shall promulgate regulations relating to, and the Federal Acquisition Regulatory Council established under section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)) shall amend the Federal Acquisition Regulation issued under section 25 of such Act to establish a policy on, subcontracting compliance relating to small business concerns, including assignment of compliance responsibilities between contracting offices, small business offices, and program offices and periodic oversight and review activities.

SEC. 1322. SMALL BUSINESS SUBCONTRACTING IMPROVEMENTS.

Section 8(d)(6) of the Small Business Act (15 U.S.C. 637(d)(6)) is amended—

(1) in subparagraph (E), by striking ''and'' at the end;

(2) in subparagraph (F), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end, the following:

''(G) a representation that the offeror or bidder will—

''(i) make a good faith effort to acquire articles, equipment, supplies, services, or materials, or obtain the performance of construction work from the small business concerns used in preparing and submitting to the contracting agency the bid or proposal, in the same amount and quality used in preparing and submitting the bid or proposal; and

''(ii) provide to the contracting officer a written explanation if the offeror or bidder fails to acquire articles, equipment, supplies, services, or materials or obtain the performance of construction work as described in clause (i).''.

PART III—ACQUISITION PROCESS

SEC. 1331. RESERVATION OF PRIME CONTRACT AWARDS FOR SMALL BUSINESSES.

Section 15 of the Small Business Act (15 U.S.C. 644), as amended by this Act, is amended by adding at the end the following:

''(r) MULTIPLE AWARD CONTRACTS.—Not later than 1 year after the date of enactment of this subsection, the Administrator for Federal Procurement Policy and the Administrator, in consultation with the Administrator of General Services, shall, by regulation, establish guidance under which Federal agencies may, at their discretion—

''(1) set aside part or parts of a multiple award contract for small business concerns, including the subcategories of small business concerns identified in subsection (g)(2);

''(2) notwithstanding the fair opportunity requirements under section 2304c(b) of title 10, United States Code, and section 303J(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253j(b)), set aside orders placed against multiple award contracts for small business concerns, including the subcategories of small business concerns identified in subsection (g)(2); and

''(3) reserve 1 or more contract awards for small business concerns under full and open multiple award procurements, including the subcategories of small business concerns identified in subsection (g)(2).''.

SEC. 1332. MICRO-PURCHASE GUIDELINES.

Not later than 1 year after the date of enactment of this Act, the Director of the Office of Management and Budget, in coordination with the Administrator of General Services, shall issue guidelines regarding the analysis of purchase card expenditures to identify opportunities for achieving and accurately measuring fair participation of small business concerns in purchases in an amount not in excess of the micro-purchase threshold, as defined in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) (in this section referred to as ''micro-purchases''), consistent with the national policy on small business participation in Federal procurements set forth in sections 2(a) and 15(g) of the Small Business Act (15 U.S.C. 631(a) and 644(g)), and dissemination of best practices for participation of small business concerns in micro-purchases.

SEC. 1333. AGENCY ACCOUNTABILITY.

Section 15(g)(2) of the Small Business Act (15 U.S.C. 644(g)(2)) is amended—

(1) by inserting ''(A)'' after ''(2)'';

(2) by striking ''Goals established'' and inserting the following:

''(B) Goals established'';

(3) by striking ''Whenever'' and inserting the following:

''(C) Whenever'';

(4) by striking ''For the purpose of'' and inserting the following:

''(D) For the purpose of'';

(5) by striking ''The head of each Federal agency, in attempting to attain such participation'' and inserting the following:

''(E) The head of each Federal agency, in attempting to attain the participation described in subparagraph (D)''.

(6) in subparagraph (E), as so designated—

(A) by striking ''(A) contracts'' and inserting ''(i) contracts''; and

(B) by striking ''(B) contracts'' and inserting ''(ii) contracts''; and

(7) by adding at the end the following:

''(F)(i) Each procurement employee or program manager described in clause (ii) shall communicate to the subordinates of the procurement employee or program manager the importance of achieving small business goals.

''(ii) A procurement employee or program manager described in this clause is a senior procurement executive, senior program manager, or Director of Small and Disadvantaged Business Utilization of a Federal agency having contracting authority.''.

SEC. 1334. PAYMENT OF SUBCONTRACTORS.

Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended by adding at the end the following:

''(12) PAYMENT OF SUBCONTRACTORS.—

''(A) DEFINITION.—In this paragraph, the term 'covered contract' means a contract relating to which a prime contractor is required to develop a subcontracting plan under paragraph (4) or (5).

''(B) NOTICE.—

''(i) IN GENERAL.—A prime contractor for a covered contract shall notify in writing the contracting officer for the covered contract if the prime contractor pays a reduced price to a subcontractor for goods and services upon completion of the responsibilities of the subcontractor or the payment to a subcontractor is more than 90 days past due for goods or services provided for the covered contract for which the Federal agency has paid the prime contractor.

''(ii) CONTENTS.—A prime contractor shall include the reason for the reduction in a payment to or failure to pay a subcontractor in any notice made under clause (i).

''(C) PERFORMANCE.—A contracting officer for a covered contract shall consider the unjustified failure by a prime contractor to make a full or timely payment to a subcontractor in evaluating the performance of the prime contractor.

''(D) CONTROL OF FUNDS.—If the contracting officer for a covered contract determines that a prime contractor has a history of unjustified, untimely payments to contractors, the contracting officer shall record the identity of the contractor in accordance with the regulations promulgated under subparagraph (E).

''(E) REGULATIONS.—Not later than 1 year after the date of enactment of this paragraph, the Federal Acquisition Regulatory Council established under section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)) shall amend the Federal Acquisition Regulation issued under section 25 of such Act to—

''(i) describe the circumstances under which a contractor may be determined to have a history of unjustified, untimely payments to subcontractors;

''(ii) establish a process for contracting officers to record the identity of a contractor described in clause (i); and

''(iii) require the identity of a contractor described in clause (i) to be incorporated in, and made publicly available through, the Federal Awardee Performance and Integrity Information System, or any successor thereto.''.

SEC. 1335. REPEAL OF SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The Business Opportunity Development Reform Act of 1988 (Public Law 100–656) is amended by striking title VII (15 U.S.C. 644 note).

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by this section—

(1) shall take effect on the date of enactment of this Act; and

(2) apply to the first full fiscal year after the date of enactment of this Act.

PART IV—SMALL BUSINESS SIZE AND STATUS INTEGRITY

SEC. 1341. POLICY AND PRESUMPTIONS.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1311, is amended by adding at the end the following:

''(w) PRESUMPTION.—

''(1) IN GENERAL.—In every contract, subcontract, cooperative agreement, cooperative research and development agreement, or grant which is set aside, reserved, or otherwise classified as intended for award to small business concerns, there shall be a presumption of loss to the United States based on the total amount expended on the contract, subcontract, cooperative agreement, cooperative research and development agreement, or grant whenever it is established that a business concern other than a small business concern willfully sought and received the award by misrepresentation.

''(2) DEEMED CERTIFICATIONS.—The following actions shall be deemed affirmative, willful, and intentional certifications of small business size and status:

''(A) Submission of a bid or proposal for a Federal grant, contract, subcontract, cooperative agreement, or cooperative research and development agreement reserved, set aside, or otherwise classified as intended for award to small business concerns.

''(B) Submission of a bid or proposal for a Federal grant, contract, subcontract, cooperative agreement, or cooperative research and development agreement which in any way encourages a Federal agency to classify the bid or proposal, if awarded, as an award to a small business concern.

''(C) Registration on any Federal electronic database for the purpose of being considered for award of a Federal grant, contract, subcontract, cooperative agreement, or cooperative research agreement, as a small business concern.

''(3) CERTIFICATION BY SIGNATURE OF RESPONSIBLE OFFICIAL.—

''(A) IN GENERAL.—Each solicitation, bid, or application for a Federal contract, subcontract, or grant shall contain a certification concerning the small business size and status of a business concern seeking the Federal contract, subcontract, or grant.

''(B) CONTENT OF CERTIFICATIONS.—A certification that a business concern qualifies as a small business concern of the exact size and status claimed by the business concern for purposes of bidding on a Federal contract or subcontract, or applying for a Federal grant, shall contain the signature of an authorized official on the same page on which the certification is contained.

''(4) REGULATIONS.—The Administrator shall promulgate regulations to provide adequate protections to individuals and business concerns from liability under this subsection in cases of unintentional errors, technical malfunctions, and other similar situations.''.

SEC. 1342. ANNUAL CERTIFICATION.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1341, is amended by adding at the end the following:

''(x) ANNUAL CERTIFICATION.—

''(1) IN GENERAL.—Each business certified as a small business concern under this Act shall annually certify its small business size and, if appropriate, its small business status, by means of a confirming entry on the Online Representations and Certifications Application database of the Administration, or any successor thereto.

''(2) REGULATIONS.—Not later than 1 year after the date of enactment of this subsection, the Administrator, in consultation with the Inspector General and the Chief Counsel for Advocacy of the Administration, shall promulgate regulations to ensure that—

''(A) no business concern continues to be certified as a small business concern on the Online Representations and Certifications Application database of the Administration, or any successor thereto, without fulfilling the requirements for annual certification under this subsection; and

''(B) the requirements of this subsection are implemented in a manner presenting the least possible regulatory burden on small business concerns.''.

SEC. 1343. TRAINING FOR CONTRACTING AND ENFORCEMENT PERSONNEL.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Federal Acquisition Institute, in consultation with the Administrator for Federal Procurement Policy, the Defense Acquisition University, and the Administrator, shall develop courses for acquisition personnel concerning proper classification of business concerns and small business size and status for purposes of Federal contracts, subcontracts, grants, cooperative agreements, and cooperative research and development agreements.

(b) POLICY ON PROSECUTIONS OF SMALL BUSINESS SIZE AND STATUS FRAUD.—Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1342, is amended by adding at the end the following:

''(y) POLICY ON PROSECUTIONS OF SMALL BUSINESS SIZE AND STATUS FRAUD.—Not later than 1 year after the date of enactment of this subsection, the Administrator, in consultation with the Attorney General, shall issue a Government-wide policy on prosecution of small business size and status fraud, which shall direct Federal agencies to appropriately publicize the policy.''.

SEC. 1344. UPDATED SIZE STANDARDS.

(a) ROLLING REVIEW.—

(1) IN GENERAL.—The Administrator shall—

(A) during the 18-month period beginning on the date of enactment of this Act, and during every 18-month period thereafter, conduct a detailed review of not less than ⅓ of the size standards for small business concerns established under section 3(a)(2) of the Small Business Act (15 U.S.C. 632(a)(2)), which shall include holding not less than 2 public forums located in different geographic regions of the United States;

(B) after completing each review under subparagraph (A) make appropriate adjustments to the size standards established under section 3(a)(2) of the Small Business Act to reflect market conditions;

(C) make publicly available—

(i) information regarding the factors evaluated as part of each review conducted under subparagraph (A); and

(ii) information regarding the criteria used for any revised size standards promulgated under subparagraph (B); and

(D) not later than 30 days after the date on which the Administrator completes each review under subparagraph (A), submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives and make publicly available a report regarding the review, including why the Administrator—

(i) used the factors and criteria described in subparagraph (C); and

(ii) adjusted or did not adjust each size standard that was reviewed under the review.

(2) COMPLETE REVIEW OF SIZE STANDARDS.—The Administrator shall ensure that each size standard for small business concerns established under section 3(a)(2) of the Small Business Act (15 U.S.C. 632(a)(2)) is reviewed under paragraph (1) not less frequently than once every 5 years.

(b) RULES.—Not later than 1 year after the date of enactment of this Act, the Administrator shall promulgate rules for conducting the reviews required under subsection (a).

SEC. 1345. STUDY AND REPORT ON THE MENTOR-PROTEGE PROGRAM.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the mentor-protege program of the Administration for small business concerns participating in programs under section 8(a) of the Small Business Act (15 U.S.C. 637(a)), and other relationships and strategic alliances pairing a larger business and a small business concern partner to gain access to Federal Government contracts, to determine whether the programs and relationships are effectively supporting the goal of increasing the participation of small business concerns in Government contracting.

(b) MATTERS TO BE STUDIED.—The study conducted under this section shall include—

(1) a review of a broad cross-section of industries; and

(2) an evaluation of—

(A) how each Federal agency carrying out a program described in subsection (a) administers and monitors the program;

(B) whether there are systems in place to ensure that the mentor-protege relationship, or similar affiliation, promotes real gain to the protege, and is not just a mechanism to enable participants that would not otherwise qualify under section 8(a) of the Small Business Act (15 U.S.C. 637(a)) to receive contracts under that section; and

(C) the degree to which protege businesses become able to compete for Federal contracts without the assistance of a mentor.

(c) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the results of the study conducted under this section.

SEC. 1346. CONTRACTING GOALS REPORTS.

Section 15(h)(2) of the Small Business Act (15 U.S.C. 644(h)(2)) is amended by striking ''submit them'' and all that follows through ''the following:'' and inserting ''submit to the President and the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives the compilation and analysis, which shall include the following:''.

SEC. 1347. SMALL BUSINESS CONTRACTING PARITY.

(a) DEFINITIONS.—In this section—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively; and

(2) the terms ''HUBZone small business concern'', ''small business concern'', ''small business concern owned and controlled by service-disabled veterans'', and ''small business concern owned and controlled by women'' have the same meanings as in section 3 of the Small Business Act (15 U.S.C. 632).

(b) CONTRACTING IMPROVEMENTS.—

(1) CONTRACTING OPPORTUNITIES.—Section 31(b)(2)(B) of the Small Business Act (15 U.S.C. 657a(b)(2)(B)) is amended by striking ''shall'' and inserting ''may''.

(2) CONTRACTING GOALS.—Section 15(g)(1) of the Small Business Act (15 U.S.C. 644(g)(1)) is amended in the fourth sentence by inserting ''and subcontract'' after ''not less than 3 percent of the total value of all prime contract''.

(3) MENTOR-PROTEGE PROGRAMS.—The Administrator may establish mentor-protege programs for small business concerns owned and controlled by service-disabled veterans, small business concerns owned and controlled by women, and HUBZone small business concerns modeled on the mentor-protege program of the Administration for small business concerns participating in programs under section 8(a) of the Small Business Act (15 U.S.C. 637(a)).

(c) SMALL BUSINESS CONTRACTING PROGRAMS PARITY.—Section 31(b)(2) of the Small Business Act (15 U.S.C. 657a(b)(2)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''Notwithstanding any other provision of law—'';

(2) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking ''a contracting'' and inserting ''SOLE SOURCE CONTRACTS.—A contracting''; and

(B) in clause (iii), by striking the semicolon at the end and inserting a period;

(3) in subparagraph (B)—

(A) by striking ''a contract opportunity shall'' and inserting ''RESTRICTED COMPETITION.—A contract opportunity may''; and

(B) by striking ''; and'' and inserting a period; and

(4) in subparagraph (C), by striking ''not later'' and inserting ''APPEALS.—Not later''.

Subtitle D—Small Business Management and Counseling Assistance

SEC. 1401. MATCHING REQUIREMENTS UNDER SMALL BUSINESS PROGRAMS.

(a) MICROLOAN PROGRAM.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (3)(B)—

(A) by striking ''As a condition'' and inserting the following:

''(i) IN GENERAL.—Subject to clause (ii), as a condition'';

(B) by striking ''the Administration'' and inserting ''the Administrator''; and

(C) by adding at the end the following:

''(ii) WAIVER OF NON-FEDERAL SHARE.—

''(I) IN GENERAL.—Upon request by an intermediary, and in accordance with this clause, the Administrator may waive, in whole or in part, the requirement to obtain non-Federal funds under clause (i) for a fiscal year. The Administrator may waive the requirement to obtain non-Federal funds under this clause for successive fiscal years.

''(II) CONSIDERATIONS.—In determining whether to waive the requirement to obtain non-Federal funds under this clause, the Administrator shall consider—

''(aa) the economic conditions affecting the intermediary;

''(bb) the impact a waiver under this clause would have on the credibility of the microloan program under this subsection;

''(cc) the demonstrated ability of the intermediary to raise non-Federal funds; and

''(dd) the performance of the intermediary.

''(III) LIMITATIONS.—

''(aa) IN GENERAL.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause if granting the waiver would undermine the credibility of the microloan program under this subsection.

''(bb) SUNSET.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause for fiscal year 2013 or any fiscal year thereafter.''; and

(2) in paragraph (4)(B)—

(A) by striking ''As a condition'' and all that follows through ''the Administration shall require'' and inserting the following:

''(i) IN GENERAL.—Subject to clause (ii), as a condition of a grant made under subparagraph (A), the Administrator shall require''; and

(B) by adding at the end the following:

''(ii) WAIVER OF NON-FEDERAL SHARE.—

''(I) IN GENERAL.—Upon request by an intermediary, and in accordance with this clause, the Administrator may waive, in whole or in part, the requirement to obtain non-Federal funds under clause (i) for a fiscal year. The Administrator may waive the requirement to obtain non-Federal funds under this clause for successive fiscal years.

''(II) CONSIDERATIONS.—In determining whether to waive the requirement to obtain non-Federal funds under this clause, the Administrator shall consider—

''(aa) the economic conditions affecting the intermediary;

''(bb) the impact a waiver under this clause would have on the credibility of the microloan program under this subsection;

''(cc) the demonstrated ability of the intermediary to raise non-Federal funds; and

''(dd) the performance of the intermediary.

''(III) LIMITATIONS.—

''(aa) IN GENERAL.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause if granting the waiver would undermine the credibility of the microloan program under this subsection.

''(bb) SUNSET.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause for fiscal year 2013 or any fiscal year thereafter.''.

(b) WOMEN'S BUSINESS CENTER PROGRAM.—Section 29(c) of the Small Business Act (15 U.S.C. 656(c)) is amended—

(1) in paragraph (1), by striking ''As a condition'' and inserting ''Subject to paragraph (5), as a condition''; and

(2) by adding at the end the following:

''(5) WAIVER OF NON-FEDERAL SHARE RELATING TO TECHNICAL ASSISTANCE AND COUNSELING.—

''(A) IN GENERAL.—Upon request by a recipient organization, and in accordance with this paragraph, the Administrator may waive, in whole or in part, the requirement to obtain non-Federal funds under this subsection for the technical assistance and counseling activities of the recipient organization carried out using financial assistance under this section for a fiscal year. The Administrator may waive the requirement to obtain non-Federal funds under this paragraph for successive fiscal years.

''(B) CONSIDERATIONS.—In determining whether to waive the requirement to obtain non-Federal funds under this paragraph, the Administrator shall consider—

''(i) the economic conditions affecting the recipient organization;

''(ii) the impact a waiver under this clause would have on the credibility of the women's business center program under this section;

''(iii) the demonstrated ability of the recipient organization to raise non-Federal funds; and

''(iv) the performance of the recipient organization.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—The Administrator may not waive the requirement to obtain non-Federal funds under this paragraph if granting the waiver would undermine the credibility of the women's business center program under this section.

''(ii) SUNSET.—The Administrator may not waive the requirement to obtain non-Federal funds under this paragraph for fiscal year 2013 or any fiscal year thereafter.''.

(c) PROSPECTIVE REPEALS.—Effective October 1, 2012, the Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) in section 7(m) (15 U.S.C. 636(m))—

(A) in paragraph (3)(B)—

(i) by striking ''INTERMEDIARY CONTRIBUTION.—'' and all that follows through ''Subject to clause (ii), as'' and inserting ''INTERMEDIARY CONTRIBUTION.—As''; and

(ii) by striking clause (ii); and

(B) in paragraph (4)(B)—

(i) by striking ''CONTRIBUTION.—'' and all that follows through ''Subject to clause (ii), as'' and inserting ''CONTRIBUTION.—As''; and

(ii) by striking clause (ii); and

(2) in section 29(c) (15 U.S.C. 656(c))—

(A) in paragraph (1), by striking ''Subject to paragraph (5), as'' and inserting ''As''; and

(B) by striking paragraph (5).

SEC. 1402. GRANTS FOR SBDCS.

(a) IN GENERAL.—The Administrator may make grants to small business development centers under section 21 of the Small Business Act (15 U.S.C. 648) to provide targeted technical assistance to small business concerns seeking access to capital or credit, Federal procurement opportunities, energy efficiency audits to reduce energy bills, opportunities to export products or provide services to foreign customers, adopting, making innovations in, and using broadband technologies, or other assistance.

(b) ALLOCATION.—

(1) IN GENERAL.—Subject to paragraph (2), and notwithstanding the requirements of section 21(a)(4)(C)(iii) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(iii)), the amount appropriated to carry out this section shall be allocated under the formula under section 21(a)(4)(C)(i) of that Act.

(2) MINIMUM FUNDING.—The amount made available under this section to each State shall be not less than $325,000.

(3) TYPES OF USES.—Of the total amount of the grants awarded by the Administrator under this section—

(A) not less than 80 percent shall be used for counseling of small business concerns; and

(B) not more than 20 percent may be used for classes or seminars.

(c) NO NON-FEDERAL SHARE REQUIRED.—Notwithstanding section 21(a)(4)(A) of the Small Business Act (15 U.S.C. 648(a)(4)(A)), the recipient of a grant made under this section shall not be required to provide non-Federal matching funds.

(d) DISTRIBUTION.—Not later than 30 days after the date on which amounts are appropriated to carry out this section, the Administrator shall disburse the total amount appropriated.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator $50,000,000 to carry out this section.

Subtitle E—Disaster Loan Improvement

SEC. 1501. AQUACULTURE BUSINESS DISASTER ASSISTANCE.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1343, is amended by adding at the end the following:

''(z) AQUACULTURE BUSINESS DISASTER ASSISTANCE.—Subject to section 18(a) and notwithstanding section 18(b)(1), the Administrator may provide disaster assistance under section 7(b)(2) to aquaculture enterprises that are small businesses.''.

Subtitle F—Small Business Regulatory Relief

SEC. 1601. REQUIREMENTS PROVIDING FOR MORE DETAILED ANALYSES.

Section 604(a) of title 5, United States Code, is amended—

(1) in paragraph (1), by striking ''succinct'';

(2) in paragraph (2), by striking ''summary'' each place it appears and inserting ''statement'';

(3) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(4) by inserting after paragraph (2) the following:

''(3) the response of the agency to any comments filed by the Chief Counsel for Advocacy of the Small Business Administration in response to the proposed rule, and a detailed statement of any change made to the proposed rule in the final rule as a result of the comments;''.

SEC. 1602. OFFICE OF ADVOCACY.

(a) IN GENERAL.—Section 203 of Public Law 94–305 (15 U.S.C. 634c) is amended—

(1) in paragraph (4), by striking ''and'' at the end;

(2) in paragraph (5), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(6) carry out the responsibilities of the Office of Advocacy under chapter 6 of title 5, United States Code.''.

(b) BUDGETARY LINE ITEM AND AUTHORIZATION OF APPROPRIATIONS.—Title II of Public Law 94–305 (15 U.S.C. 634a et seq.) is amended by striking section 207 and inserting the following:

''SEC. 207. BUDGETARY LINE ITEM AND AUTHORIZATION OF APPROPRIATIONS.

''(a) APPROPRIATION REQUESTS.—Each budget of the United States Government submitted by the President under section 1105 of title 31, United States Code, shall include a separate statement of the amount of appropriations requested for the Office of Advocacy of the Small Business Administration, which shall be designated in a separate account in the General Fund of the Treasury.

''(b) ADMINISTRATIVE OPERATIONS.—The Administrator of the Small Business Administration shall provide the Office of Advocacy with appropriate and adequate office space at central and field office locations, together with such equipment, operating budget, and communications facilities and services as may be necessary, and shall provide necessary maintenance services for such offices and the equipment and facilities located in such offices.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this title. Any amount appropriated under this subsection shall remain available, without fiscal year limitation, until expended.''.

Subtitle G—Appropriations Provisions

SEC. 1701. SALARIES AND EXPENSES.

(a) APPROPRIATION.—There is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2010, $150,000,000, to remain available until September 30, 2012, for an additional amount for the appropriations account appropriated under the heading ''SALARIES AND EXPENSES'' under the heading ''SMALL BUSINESS ADMINISTRATION'', of which—

(1) $50,000,000 is for grants to small business development centers authorized under section 1402;

(2) $1,000,000 is for the costs of administering grants authorized under section 1402;

(3) $30,000,000 is for grants to States for fiscal year 2011 to carry out export programs that assist small business concerns authorized under section 1207;

(4) $30,000,000 is for grants to States for fiscal year 2012 to carry out export programs that assist small business concerns authorized under section 1207;

(5) $2,500,000 is for the costs of administering grants authorized under section 1207;

(6) $5,000,000 is for grants for fiscal year 2011 under the Small Business Teaming Pilot Program under section 1314; and

(7) $5,000,000 is for grants for fiscal year 2012 under the Small Business Teaming Pilot Program under section 1314.

(b) REPORT.—Not later than 60 days after the date of enactment of this Act, the Administrator shall submit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a detailed expenditure plan for using the funds provided under subsection (a).

SEC. 1702. BUSINESS LOANS PROGRAM ACCOUNT.

(a) IN GENERAL.—There is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2010, for an additional amount for the appropriations account appropriated under the heading ''BUSINESS LOANS PROGRAM ACCOUNT'' under the heading ''SMALL BUSINESS ADMINISTRATION''—

(1) $8,000,000, to remain available until September 30, 2012, for fiscal year 2011 for the cost of direct loans authorized under section 7(l) of the Small Business Act, as added by section 1131 of this title, including the cost of modifying the loans;

(2) $8,000,000, to remain available until September 30, 2012, for fiscal year 2012 for the cost of direct loans authorized under section 7(l) of the Small Business Act, as added by section 1131 of this title, including the cost of modifying the loans;

(3) $6,500,000, to remain available until September 30, 2012, for administrative expenses to carry out the direct loan program authorized under section 7(l) of the Small Business Act, as added by section 1131 of this title, which may be transferred to and merged with the appropriations account appropriated under the heading ''SALARIES AND EXPENSES'' under the heading ''SMALL BUSINESS ADMINISTRATION''; and

(4) $15,000,000, to remain available until September 30, 2011, for the cost of guaranteed loans as authorized under section 7(a) of the Small Business Act, including the cost of modifying the loans.

(b) DEFINITION.—In this section, the term ''cost'' has the meaning given that term in section 502 of the Congressional Budget Act of 1974.

SEC. 1703. COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT.

There is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2010, for an additional amount for the appropriations account appropriated under the heading ''COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT'' under the heading ''DEPARTMENT OF THE TREASURY'', $13,500,000, to remain available until September 30, 2012, for the costs of administering guarantees for bonds and notes as authorized under section 114A of the Riegle Community Development and Regulatory Improvement Act of 1994, as added by section 1134 of this Act.

TITLE II—TAX PROVISIONS

SEC. 2001. SHORT TITLE.

This title may be cited as the ''Creating Small Business Jobs Act of 2010''.

Subtitle A—Small Business Relief

PART I—PROVIDING ACCESS TO CAPITAL

SEC. 2011. TEMPORARY EXCLUSION OF 100 PERCENT OF GAIN ON CERTAIN SMALL BUSINESS STOCK.

(a) IN GENERAL.—Subsection (a) of section 1202 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) 100 PERCENT EXCLUSION FOR STOCK ACQUIRED DURING CERTAIN PERIODS IN 2010.—In the case of qualified small business stock acquired after the date of the enactment of the Creating Small Business Jobs Act of 2010 and before January 1, 2011—

''(A) paragraph (1) shall be applied by substituting '100 percent' for '50 percent',

''(B) paragraph (2) shall not apply, and

''(C) paragraph (7) of section 57(a) shall not apply.''.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 1202(a) of the Internal Revenue Code of 1986 is amended—

(1) by inserting ''CERTAIN PERIODS IN'' before ''2010'' in the heading, and

(2) by striking ''before January 1, 2011'' and inserting ''on or before the date of the enactment of the Creating Small Business Jobs Act of 2010''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to stock acquired after the date of the enactment of this Act.

SEC. 2012. GENERAL BUSINESS CREDITS OF ELIGIBLE SMALL BUSINESSES FOR 2010 CARRIED BACK 5 YEARS.

(a) IN GENERAL.—Section 39(a) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) 5-YEAR CARRYBACK FOR ELIGIBLE SMALL BUSINESS CREDITS.—

''(A) IN GENERAL.—Notwithstanding subsection (d), in the case of eligible small business credits determined in the first taxable year of the taxpayer beginning in 2010—

''(i) paragraph (1) shall be applied by substituting 'each of the 5 taxable years' for 'the taxable year' in subparagraph (A) thereof, and

''(ii) paragraph (2) shall be applied—

''(I) by substituting '25 taxable years' for '21 taxable years' in subparagraph (A) thereof, and

''(II) by substituting '24 taxable years' for '20 taxable years' in subparagraph (B) thereof.

''(B) ELIGIBLE SMALL BUSINESS CREDITS.—For purposes of this subsection, the term 'eligible small business credits' has the meaning given such term by section 38(c)(5)(B).''.

(b) CONFORMING AMENDMENT.—Section 39(a)(3)(A) of the Internal Revenue Code of 1986 is amended by inserting ''or the eligible small business credits'' after ''credit)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to credits determined in taxable years beginning after December 31, 2009.

SEC. 2013. GENERAL BUSINESS CREDITS OF ELIGIBLE SMALL BUSINESSES IN 2010 NOT SUBJECT TO ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Section 38(c) of the Internal Revenue Code of 1986 is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) SPECIAL RULES FOR ELIGIBLE SMALL BUSINESS CREDITS IN 2010.—

''(A) IN GENERAL.—In the case of eligible small business credits determined in taxable years beginning in 2010—

''(i) this section and section 39 shall be applied separately with respect to such credits, and

''(ii) in applying paragraph (1) to such credits—

''(I) the tentative minimum tax shall be treated as being zero, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the eligible small business credits).

''(B) ELIGIBLE SMALL BUSINESS CREDITS.—For purposes of this subsection, the term 'eligible small business credits' means the sum of the credits listed in subsection (b) which are determined for the taxable year with respect to an eligible small business. Such credits shall not be taken into account under paragraph (2), (3), or (4).

''(C) ELIGIBLE SMALL BUSINESS.—For purposes of this subsection, the term 'eligible small business' means, with respect to any taxable year—

''(i) a corporation the stock of which is not publicly traded,

''(ii) a partnership, or

''(iii) a sole proprietorship,

if the average annual gross receipts of such corporation, partnership, or sole proprietorship for the 3-taxable-year period preceding such taxable year does not exceed $50,000,000. For purposes of applying the test under the preceding sentence, rules similar to the rules of paragraphs (2) and (3) of section 448(c) shall apply.''.

(b) TECHNICAL AMENDMENT.—Section 55(e)(5) of the Internal Revenue Code of 1986 is amended by striking ''38(c)(3)(B)'' and inserting ''38(c)(4)(B)''.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to credits determined in taxable years beginning after December 31, 2009, and to carrybacks of such credits.

SEC. 2014. TEMPORARY REDUCTION IN RECOGNITION PERIOD FOR BUILT-IN GAINS TAX.

(a) IN GENERAL.—Subparagraph (B) of section 1374(d)(7) of the Internal Revenue Code of 1986 is amended to read as follows:

''(B) SPECIAL RULES FOR 2009, 2010, AND 2011.—No tax shall be imposed on the net recognized built-in gain of an S corporation—

''(i) in the case of any taxable year beginning in 2009 or 2010, if the 7th taxable year in the recognition period preceded such taxable year, or

''(ii) in the case of any taxable year beginning in 2011, if the 5th year in the recognition period preceded such taxable year.

The preceding sentence shall be applied separately with respect to any asset to which paragraph (8) applies.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2010.

PART II—ENCOURAGING INVESTMENT

SEC. 2021. INCREASED EXPENSING LIMITATIONS FOR 2010 AND 2011; CERTAIN REAL PROPERTY TREATED AS SECTION 179 PROPERTY.

(a) INCREASED LIMITATIONS.—Subsection (b) of section 179 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''shall not exceed'' and all that follows in paragraph (1) and inserting ''shall not exceed—

''(A) $250,000 in the case of taxable years beginning after 2007 and before 2010,

''(B) $500,000 in the case of taxable years beginning in 2010 or 2011, and

''(C) $25,000 in the case of taxable years beginning after 2011.'', and

(2) by striking ''exceeds'' and all that follows in paragraph (2) and inserting ''exceeds—

''(A) $800,000 in the case of taxable years beginning after 2007 and before 2010,

''(B) $2,000,000 in the case of taxable years beginning in 2010 or 2011, and

''(C) $200,000 in the case of taxable years beginning after 2011.''.

(b) INCLUSION OF CERTAIN REAL PROPERTY.—Section 179 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(f) SPECIAL RULES FOR QUALIFIED REAL PROPERTY.—

''(1) IN GENERAL.—If a taxpayer elects the application of this subsection for any taxable year beginning in 2010 or 2011, the term 'section 179 property' shall include any qualified real property which is—

''(A) of a character subject to an allowance for depreciation,

''(B) acquired by purchase for use in the active conduct of a trade or business, and

''(C) not described in the last sentence of subsection (d)(1).

''(2) QUALIFIED REAL PROPERTY.—For purposes of this subsection, the term 'qualified real property' means—

''(A) qualified leasehold improvement property described in section 168(e)(6),

''(B) qualified restaurant property described in section 168(e)(7) (without regard to the dates specified in subparagraph (A)(i) thereof), and

''(C) qualified retail improvement property described in section 168(e)(8) (without regard to subparagraph (E) thereof).

''(3) LIMITATION.—For purposes of applying the limitation under subsection (b)(1)(B), not more than $250,000 of the aggregate cost which is taken into account under subsection (a) for any taxable year may be attributable to qualified real property.

''(4) CARRYOVER LIMITATION.—

''(A) IN GENERAL.—Notwithstanding subsection (b)(3)(B), no amount attributable to qualified real property may be carried over to a taxable year beginning after 2011.

''(B) TREATMENT OF DISALLOWED AMOUNTS.—Except as provided in subparagraph (C), to the extent that any amount is not allowed to be carried over to a taxable year beginning after 2011 by reason of subparagraph (A), this title shall be applied as if no election under this section had been made with respect to such amount.

''(C) AMOUNTS CARRIED OVER FROM 2010.—If subparagraph (B) applies to any amount (or portion of an amount) which is carried over from a taxable year other than the taxpayer's last taxable year beginning in 2011, such amount (or portion of an amount) shall be treated for purposes of this title as attributable to property placed in service on the first day of the taxpayer's last taxable year beginning in 2011.

''(D) ALLOCATION OF AMOUNTS.—For purposes of applying this paragraph and subsection (b)(3)(B) to any taxable year, the amount which is disallowed under subsection (b)(3)(A) for such taxable year which is attributed to qualified real property shall be the amount which bears the same ratio to the total amount so disallowed as—

''(i) the aggregate amount attributable to qualified real property placed in service during such taxable year, increased by the portion of any amount carried over to such taxable year from a prior taxable year which is attributable to such property, bears to

''(ii) the total amount of section 179 property placed in service during such taxable year, increased by the aggregate amount carried over to such taxable year from any prior taxable year.

For purposes of the preceding sentence, only section 179 property with respect to which an election was made under subsection (c)(1) (determined without regard to subparagraph (B) of this paragraph) shall be taken into account.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2009, in taxable years beginning after such date.

SEC. 2022. ADDITIONAL FIRST-YEAR DEPRECIATION FOR 50 PERCENT OF THE BASIS OF CERTAIN QUALIFIED PROPERTY.

(a) IN GENERAL.—Paragraph (2) of section 168(k) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''January 1, 2011'' in subparagraph (A)(iv) and inserting ''January 1, 2012'', and

(2) by striking ''January 1, 2010'' each place it appears and inserting ''January 1, 2011''.

(b) CONFORMING AMENDMENTS.—

(1) The heading for subsection (k) of section 168 of the Internal Revenue Code of 1986 is amended by striking ''JANUARY 1, 2010'' and inserting ''JANUARY 1, 2011''.

(2) The heading for clause (ii) of section 168(k)(2)(B) of such Code is amended by striking ''PRE-JANUARY 1, 2010'' and inserting ''PRE-JANUARY 1, 2011''.

(3) Subparagraph (D) of section 168(k)(4) of such Code is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting a comma, and by adding at the end the following new clauses:

''(iv) 'January 1, 2011' shall be substituted for 'January 1, 2012' in subparagraph (A)(iv) thereof, and

''(v) 'January 1, 2010' shall be substituted for 'January 1, 2011' each place it appears in subparagraph (A) thereof.''.

(4) Subparagraph (B) of section 168(l)(5) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(5) Subparagraph (C) of section 168(n)(2) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(6) Subparagraph (D) of section 1400L(b)(2) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(7) Subparagraph (B) of section 1400N(d)(3) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2009, in taxable years beginning after such date.

PART III—PROMOTING ENTREPRENEURSHIP

SEC. 2031. INCREASE IN AMOUNT ALLOWED AS DEDUCTION FOR START-UP EXPENDITURES IN 2010.

(a) START-UP EXPENDITURES.—Subsection (b) of section 195 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR TAXABLE YEARS BEGINNING IN 2010.—In the case of a taxable year beginning in 2010, paragraph (1)(A)(ii) shall be applied—

''(A) by substituting '$10,000' for '$5,000', and

''(B) by substituting '$60,000' for '$50,000'.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2009.

SEC. 2032. AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES TRADE REPRESENTATIVE TO DEVELOP MARKET ACCESS OPPORTUNITIES FOR UNITED STATES SMALL- AND MEDIUM-SIZED BUSINESSES AND TO ENFORCE TRADE AGREEMENTS.

(a) IN GENERAL.—There are authorized to be appropriated to the Office of the United States Trade Representative $5,230,000, to remain available until expended, for—

(1) analyzing and developing opportunities for businesses in the United States to access the markets of foreign countries; and

(2) enforcing trade agreements to which the United States is a party.

(b) REQUIREMENTS.—In obligating and expending the funds authorized to be appropriated under subsection (a), the United States Trade Representative shall—

(1) give preference to those initiatives that the United States Trade Representative determines will create or sustain the greatest number of jobs in the United States or result in the greatest benefit to the economy of the United States; and

(2) consider the needs of small- and medium-sized businesses in the United States with respect to—

(A) accessing the markets of foreign countries; and

(B) the enforcement of trade agreements to which the United States is a party.

PART IV—PROMOTING SMALL BUSINESS FAIRNESS

SEC. 2041. LIMITATION ON PENALTY FOR FAILURE TO DISCLOSE REPORTABLE TRANSACTIONS BASED ON RESULTING TAX BENEFITS.

(a) IN GENERAL.—Subsection (b) of section 6707A of the Internal Revenue Code of 1986 is amended to read as follows:

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the amount of the penalty under subsection (a) with respect to any reportable transaction shall be 75 percent of the decrease in tax shown on the return as a result of such transaction (or which would have resulted from such transaction if such transaction were respected for Federal tax purposes).

''(2) MAXIMUM PENALTY.—The amount of the penalty under subsection (a) with respect to any reportable transaction shall not exceed—

''(A) in the case of a listed transaction, $200,000 ($100,000 in the case of a natural person), or

''(B) in the case of any other reportable transaction, $50,000 ($10,000 in the case of a natural person).

''(3) MINIMUM PENALTY.—The amount of the penalty under subsection (a) with respect to any transaction shall not be less than $10,000 ($5,000 in the case of a natural person).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to penalties assessed after December 31, 2006.

SEC. 2042. DEDUCTION FOR HEALTH INSURANCE COSTS IN COMPUTING SELF-EMPLOYMENT TAXES IN 2010.

(a) IN GENERAL.—Paragraph (4) of section 162(l) of the Internal Revenue Code of 1986 is amended by inserting ''for taxable years beginning before January 1, 2010, or after December 31, 2010'' before the period.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

Subtitle B—Revenue Provisions

PART I—REDUCING THE TAX GAP

SEC. 2101. INFORMATION REPORTING FOR RENTAL PROPERTY EXPENSE PAYMENTS.

(a) IN GENERAL.—Section 6041 of the Internal Revenue Code of 1986, as amended by section 9006 of the Patient Protection and Affordable Care Act, is amended by redesignating subsections (h) and (i) as subsections (i) and (j), respectively, and by inserting after subsection (g) the following new subsection:

''(h) TREATMENT OF RENTAL PROPERTY EXPENSE PAYMENTS.—

''(1) IN GENERAL.—Solely for purposes of subsection (a) and except as provided in paragraph (2), a person receiving rental income from real estate shall be considered to be engaged in a trade or business of renting property.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to—

''(A) any individual, including any individual who is an active member of the uniformed services or an employee of the intelligence community (as defined in section 121(d)(9)(C)(iv)), if substantially all rental income is derived from renting the principal residence (within the meaning of section 121) of such individual on a temporary basis,

''(B) any individual who receives rental income of not more than the minimal amount, as determined under regulations prescribed by the Secretary, and

''(C) any other individual for whom the requirements of this section would cause hardship, as determined under regulations prescribed by the Secretary.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to payments made after December 31, 2010.

SEC. 2102. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Subsections (a)(1), (b)(1)(A), and (b)(2)(A) of section 6721 of the Internal Revenue Code of 1986 are each amended by striking ''$50'' and inserting ''$100''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (a)(1), (d)(1)(A), and (e)(3)(A) of section 6721 of such Code are each amended by striking ''$250,000'' and inserting ''$1,500,000''.

(b) REDUCTION WHERE CORRECTION WITHIN 30 DAYS.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(1) of the Internal Revenue Code of 1986 is amended by striking ''$15'' and inserting ''$30''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(1)(B) and (d)(1)(B) of section 6721 of such Code are each amended by striking ''$75,000'' and inserting ''$250,000''.

(c) REDUCTION WHERE CORRECTION ON OR BEFORE AUGUST 1.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(2) of the Internal Revenue Code of 1986 is amended by striking ''$30'' and inserting ''$60''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(2)(B) and (d)(1)(C) of section 6721 of such Code are each amended by striking ''$150,000'' and inserting ''$500,000''.

(d) AGGREGATE ANNUAL LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—

(1) IN GENERAL.—Paragraph (1) of section 6721(d) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''$100,000'' in subparagraph (A) and inserting ''$500,000'',

(B) by striking ''$25,000'' in subparagraph (B) and inserting ''$75,000'', and

(C) by striking ''$50,000'' in subparagraph (C) and inserting ''$200,000''.

(2) TECHNICAL AMENDMENT.—Paragraph (1) of section 6721(d) of such Code is amended by striking ''such taxable year'' and inserting ''such calendar year''.

(e) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (2) of section 6721(e) of the Internal Revenue Code of 1986 is amended by striking ''$100'' and inserting ''$250''.

(f) ADJUSTMENT FOR INFLATION.—Section 6721 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(f) ADJUSTMENT FOR INFLATION.—

''(1) IN GENERAL.—For each fifth calendar year beginning after 2012, each of the dollar amounts under subsections (a), (b), (d) (other than paragraph (2)(A) thereof), and (e) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting 'calendar year 2011' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount adjusted under paragraph (1)—

''(A) is not less than $75,000 and is not a multiple of $500, such amount shall be rounded to the next lowest multiple of $500, and

''(B) is not described in subparagraph (A) and is not a multiple of $10, such amount shall be rounded to the next lowest multiple of $10.''.

(g) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—Section 6722 of the Internal Revenue Code of 1986 is amended to read as follows:

''SEC. 6722. FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.

''(a) IMPOSITION OF PENALTY.—

''(1) GENERAL RULE.—In the case of each failure described in paragraph (2) by any person with respect to a payee statement, such person shall pay a penalty of $100 for each statement with respect to which such a failure occurs, but the total amount imposed on such person for all such failures during any calendar year shall not exceed $1,500,000.

''(2) FAILURES SUBJECT TO PENALTY.—For purposes of paragraph (1), the failures described in this paragraph are—

''(A) any failure to furnish a payee statement on or before the date prescribed therefor to the person to whom such statement is required to be furnished, and

''(B) any failure to include all of the information required to be shown on a payee statement or the inclusion of incorrect information.

''(b) REDUCTION WHERE CORRECTION IN SPECIFIED PERIOD.—

''(1) CORRECTION WITHIN 30 DAYS.—If any failure described in subsection (a)(2) is corrected on or before the day 30 days after the required filing date—

''(A) the penalty imposed by subsection (a) shall be $30 in lieu of $100, and

''(B) the total amount imposed on the person for all such failures during any calendar year which are so corrected shall not exceed $250,000.

''(2) FAILURES CORRECTED ON OR BEFORE AUGUST 1.—If any failure described in subsection (a)(2) is corrected after the 30th day referred to in paragraph (1) but on or before August 1 of the calendar year in which the required filing date occurs—

''(A) the penalty imposed by subsection (a) shall be $60 in lieu of $100, and

''(B) the total amount imposed on the person for all such failures during the calendar year which are so corrected shall not exceed $500,000.

''(c) EXCEPTION FOR DE MINIMIS FAILURES.—

''(1) IN GENERAL.—If—

''(A) a payee statement is furnished to the person to whom such statement is required to be furnished,

''(B) there is a failure described in subsection (a)(2)(B) (determined after the application of section 6724(a)) with respect to such statement, and

''(C) such failure is corrected on or before August 1 of the calendar year in which the required filing date occurs,

for purposes of this section, such statement shall be treated as having been furnished with all of the correct required information.

''(2) LIMITATION.—The number of payee statements to which paragraph (1) applies for any calendar year shall not exceed the greater of—

''(A) 10, or

''(B) one-half of 1 percent of the total number of payee statements required to be filed by the person during the calendar year.

''(d) LOWER LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—

''(1) IN GENERAL.—If any person meets the gross receipts test of paragraph (2) with respect to any calendar year, with respect to failures during such calendar year—

''(A) subsection (a)(1) shall be applied by substituting '$500,000' for '$1,500,000',

''(B) subsection (b)(1)(B) shall be applied by substituting '$75,000' for '$250,000', and

''(C) subsection (b)(2)(B) shall be applied by substituting '$200,000' for '$500,000'.

''(2) GROSS RECEIPTS TEST.—A person meets the gross receipts test of this paragraph if such person meets the gross receipts test of section 6721(d)(2).

''(e) PENALTY IN CASE OF INTENTIONAL DISREGARD.—If 1 or more failures to which subsection (a) applies are due to intentional disregard of the requirement to furnish a payee statement (or the correct information reporting requirement), then, with respect to each such failure—

''(1) subsections (b), (c), and (d) shall not apply,

''(2) the penalty imposed under subsection (a)(1) shall be $250, or, if greater—

''(A) in the case of a payee statement other than a statement required under section 6045(b), 6041A(e) (in respect of a return required under section 6041A(b)), 6050H(d), 6050J(e), 6050K(b), or 6050L(c), 10 percent of the aggregate amount of the items required to be reported correctly, or

''(B) in the case of a payee statement required under section 6045(b), 6050K(b), or 6050L(c), 5 percent of the aggregate amount of the items required to be reported correctly, and

''(3) in the case of any penalty determined under paragraph (2)—

''(A) the $1,500,000 limitation under subsection (a) shall not apply, and

''(B) such penalty shall not be taken into account in applying such limitation to penalties not determined under paragraph (2).

''(f) ADJUSTMENT FOR INFLATION.—

''(1) IN GENERAL.—For each fifth calendar year beginning after 2012, each of the dollar amounts under subsections (a), (b), (d)(1), and (e) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting 'calendar year 2011' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount adjusted under paragraph (1)—

''(A) is not less than $75,000 and is not a multiple of $500, such amount shall be rounded to the next lowest multiple of $500, and

''(B) is not described in subparagraph (A) and is not a multiple of $10, such amount shall be rounded to the next lowest multiple of $10.''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2011.

SEC. 2103. REPORT ON TAX SHELTER PENALTIES AND CERTAIN OTHER ENFORCEMENT ACTIONS.

(a) IN GENERAL.—The Commissioner of Internal Revenue, in consultation with the Secretary of the Treasury, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate an annual report on the penalties assessed by the Internal Revenue Service during the preceding year under each of the following provisions of the Internal Revenue Code of 1986:

(1) Section 6662A (relating to accuracy-related penalty on understatements with respect to reportable transactions).

(2) Section 6700(a) (relating to promoting abusive tax shelters).

(3) Section 6707 (relating to failure to furnish information regarding reportable transactions).

(4) Section 6707A (relating to failure to include reportable transaction information with return).

(5) Section 6708 (relating to failure to maintain lists of advisees with respect to reportable transactions).

(b) ADDITIONAL INFORMATION.—The report required under subsection (a) shall also include information on the following with respect to each year:

(1) Any action taken under section 330(b) of title 31, United States Code, with respect to any reportable transaction (as defined in section 6707A(c) of the Internal Revenue Code of 1986).

(2) Any extension of the time for assessment of tax enforced, or assessment of any amount under such an extension, under paragraph (10) of section 6501(c) of the Internal Revenue Code of 1986.

(c) DATE OF REPORT.—The first report required under subsection (a) shall be submitted not later than December 31, 2010.

SEC. 2104. APPLICATION OF LEVY TO PAYMENTS TO FEDERAL VENDORS RELATING TO PROPERTY.

(a) IN GENERAL.—Section 6331(h)(3) of the Internal Revenue Code of 1986 is amended by striking ''goods or services'' and inserting ''property, goods, or services''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to levies issued after the date of the enactment of this Act.

SEC. 2105. APPLICATION OF CONTINUOUS LEVY TO TAX LIABILITIES OF CERTAIN FEDERAL CONTRACTORS.

(a) IN GENERAL.—Subsection (f) of section 6330 of the Internal Revenue Code of 1986 is amended by striking ''or'' at the end of paragraph (2), by inserting ''or'' at the end of paragraph (3), and by inserting after paragraph (3) the following new paragraph:

''(4) the Secretary has served a Federal contractor levy,''.

(b) FEDERAL CONTRACTOR LEVY.—Subsection (h) of section 6330 of the Internal Revenue Code of 1986 is amended—

(1) by striking all that precedes ''any levy in connection with the collection'' and inserting the following:

''(h) DEFINITIONS RELATED TO EXCEPTIONS.—For purposes of subsection (f)—

''(1) DISQUALIFIED EMPLOYMENT TAX LEVY.—A disqualified employment tax levy is''; and

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

''(2) FEDERAL CONTRACTOR LEVY.—A Federal contractor levy is any levy if the person whose property is subject to the levy (or any predecessor thereof) is a Federal contractor.''.

(c) CONFORMING AMENDMENT.—The heading of subsection (f) of section 6330 of the Internal Revenue Code of 1986 is amended by striking ''JEOPARDY AND STATE REFUND COLLECTION'' and inserting ''EXCEPTIONS''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to levies issued after the date of the enactment of this Act.

SEC. 2106. APPLICATION OF BAD CHECKS PENALTY TO ELECTRONIC PAYMENTS.

(a) IN GENERAL.—Section 6657 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''If any check or money order in payment of any amount'' and inserting ''If any instrument in payment, by any commercially acceptable means, of any amount'', and

(2) by striking ''such check'' each place it appears and inserting ''such instrument''.

(b) EFFECTIVE DATES.—The amendments made by this section shall apply to instruments tendered after the date of the enactment of this Act.

PART II—PROMOTING RETIREMENT PREPARATION

SEC. 2111. PARTICIPANTS IN GOVERNMENT SECTION 457 PLANS ALLOWED TO TREAT ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

(a) IN GENERAL.—Section 402A(e)(1) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following:

''(C) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(b) ELECTIVE DEFERRALS.—Section 402A(e)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means—

''(A) any elective deferral described in subparagraph (A) or (C) of section 402(g)(3), and

''(B) any elective deferral of compensation by an individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 2112. ROLLOVERS FROM ELECTIVE DEFERRAL PLANS TO DESIGNATED ROTH ACCOUNTS.

(a) IN GENERAL.—Section 402A(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) TAXABLE ROLLOVERS TO DESIGNATED ROTH ACCOUNTS.—

''(A) IN GENERAL.—Notwithstanding sections 402(c), 403(b)(8), and 457(e)(16), in the case of any distribution to which this paragraph applies—

''(i) there shall be included in gross income any amount which would be includible were it not part of a qualified rollover contribution,

''(ii) section 72(t) shall not apply, and

''(iii) unless the taxpayer elects not to have this clause apply, any amount required to be included in gross income for any taxable year beginning in 2010 by reason of this paragraph shall be so included ratably over the 2-taxable-year period beginning with the first taxable year beginning in 2011.

Any election under clause (iii) for any distributions during a taxable year may not be changed after the due date for such taxable year.

''(B) DISTRIBUTIONS TO WHICH PARAGRAPH APPLIES.—In the case of an applicable retirement plan which includes a qualified Roth contribution program, this paragraph shall apply to a distribution from such plan other than from a designated Roth account which is contributed in a qualified rollover contribution (within the meaning of section 408A(e)) to the designated Roth account maintained under such plan for the benefit of the individual to whom the distribution is made.

''(C) COORDINATION WITH LIMIT.—Any distribution to which this paragraph applies shall not be taken into account for purposes of paragraph (1).

''(D) OTHER RULES.—The rules of subparagraphs (D), (E), and (F) of section 408A(d)(3) (as in effect for taxable years beginning after 2009) shall apply for purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after the date of the enactment of this Act.

PART III—CLOSING UNINTENDED LOOPHOLES

SEC. 2121. CRUDE TALL OIL INELIGIBLE FOR CELLULOSIC BIOFUEL PRODUCER CREDIT.

(a) IN GENERAL.—Clause (iii) of section 40(b)(6)(E) of the Internal Revenue Code of 1986, as added by the Health Care and Education Reconciliation Act of 2010, is amended—

(1) by striking ''or'' at the end of subclause (I),

(2) by striking the period at the end of subclause (II) and inserting '', or'',

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

''(III) such fuel has an acid number greater than 25.'', and

(4) by striking ''UNPROCESSED'' in the heading and inserting ''CERTAIN''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fuels sold or used on or after January 1, 2010.

PART IV—TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES

SEC. 2131. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act in effect on the date of the enactment of this Act is increased by 36 percentage points.

TITLE III—SMALL BUSINESS LENDING

Subtitle A—Small Business Lending Fund

SEC. 3101. PURPOSE.

The purpose of this subtitle is to address the ongoing effects of the financial crisis on small businesses by providing temporary authority to the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses.

SEC. 3102. DEFINITIONS.

For purposes of this subtitle:

(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means—

(A) the Committee on Small Business and Entrepreneurship, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Budget, and the Committee on Appropriations of the Senate; and

(B) the Committee on Small Business, the Committee on Agriculture, the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives.

(2) APPROPRIATE FEDERAL BANKING AGENCY.—The term ''appropriate Federal banking agency'' has the meaning given such term under section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)).

(3) BANK HOLDING COMPANY.—The term ''bank holding company'' has the meaning given such term under section 2(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(2)(a)(1)).

(4) CALL REPORT.—The term ''call report'' means—

(A) reports of Condition and Income submitted to the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation;

(B) the Office of Thrift Supervision Thrift Financial Report;

(C) any report that is designated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the Office of Thrift Supervision, as applicable, as a successor to any report referred to in subparagraph (A) or (B);

(D) reports of Condition and Income as designated through guidance developed by the Secretary, in consultation with the Director of the Community Development Financial Institutions Fund; and

(E) with respect to an eligible institution for which no report exists that is described under subparagraph (A), (B), (C), or (D), such other report or set of information as the Secretary, in consultation with the Administrator of the Small Business Administration, may prescribe.

(5) CDCI.—The term ''CDCI'' means the Community Development Capital Initiative created by the Secretary under the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008.

(6) CDCI INVESTMENT.—The term ''CDCI investment'' means, with respect to any eligible institution, the principal amount of any investment made by the Secretary in such eligible institution under the CDCI that has not been repaid.

(7) CDFI; COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The terms ''CDFI'' and ''community development financial institution'' have the meaning given the term ''community development financial institution'' under the Riegle Community Development and Regulatory Improvement Act of 1994.

(8) CDLF; COMMUNITY DEVELOPMENT LOAN FUND.—The terms ''CDLF'' and ''community development loan fund'' mean any entity that—

(A) is certified by the Department of the Treasury as a community development financial institution loan fund;

(B) is exempt from taxation under the Internal Revenue Code of 1986; and

(C) had assets less than or equal to $10,000,000,000 as of the end of the fourth quarter of calendar year 2009.

(9) CPP.—The term ''CPP'' means the Capital Purchase Program created by the Secretary under the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008.

(10) CPP INVESTMENT.—The term ''CPP investment'' means, with respect to any eligible institution, the principal amount of any investment made by the Secretary in such eligible institution under the CPP that has not been repaid.

(11) ELIGIBLE INSTITUTION.—The term ''eligible institution'' means—

(A) any insured depository institution, which—

(i) is not controlled by a bank holding company or savings and loan holding company that is also an eligible institution;

(ii) has total assets of equal to or less than $10,000,000,000, as reported in the call report of the insured depository institution as of the end of the fourth quarter of calendar year 2009; and

(iii) is not directly or indirectly controlled by any company or other entity that has total consolidated assets of more than $10,000,000,000, as so reported;

(B) any bank holding company which has total consolidated assets of equal to or less than $10,000,000,000, as reported in the call report of the bank holding company as of the end of the fourth quarter of calendar year 2009;

(C) any savings and loan holding company which has total consolidated assets of equal to or less than $10,000,000,000, as reported in the call report of the savings and loan holding company as of the end of the fourth quarter of calendar year 2009; and

(D) any community development financial institution loan fund which has total assets of equal to or less than $10,000,000,000, as reported in audited financial statements for the fiscal year of the community development financial institution loan fund that ends in calendar year 2009.

(12) FUND.—The term ''Fund'' means the Small Business Lending Fund established under section 3103(a)(1).

(13) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution'' has the meaning given such term under section 3(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(2)).

(14) MINORITY-OWNED AND WOMEN-OWNED BUSINESS.—The terms ''minority-owned business'' and ''women-owned business'' shall have the meaning given the terms ''minority-owned business'' and ''women's business'', respectively, under section 21A(r)(4) of the Federal Home Loan Bank Act (12 U.S.C. 1441A(r)(4)).

(15) PROGRAM.—The term ''Program'' means the Small Business Lending Fund Program authorized under section 3103(a)(2).

(16) SAVINGS AND LOAN HOLDING COMPANY.—The term ''savings and loan holding company'' has the meaning given such term under section 10(a)(1)(D) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(1)(D)).

(17) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

(18) SMALL BUSINESS LENDING.—

(A) IN GENERAL.—The term ''small business lending'' means lending, as defined by and reported in an eligible institutions' quarterly call report, where each loan comprising such lending is one of the following types:

(i) Commercial and industrial loans.

(ii) Owner-occupied nonfarm, nonresidential real estate loans.

(iii) Loans to finance agricultural production and other loans to farmers.

(iv) Loans secured by farmland.

(B) EXCLUSION.—No loan that has an original amount greater than $10,000,000 or that goes to a business with more than $50,000,000 in revenues shall be included in the measure.

(C) TREATMENT OF HOLDING COMPANIES.—In the case of eligible institutions that are bank holding companies or savings and loan holding companies having one or more insured depository institution subsidiaries, small business lending shall be measured based on the combined small business lending reported in the call report of the insured depository institution subsidiaries.

(19) VETERAN-OWNED BUSINESS.—

(A) The term ''veteran-owned business'' means a business—

(i) more than 50 percent of the ownership or control of which is held by 1 or more veterans;

(ii) more than 50 percent of the net profit or loss of which accrues to 1 or more veterans; and

(iii) a significant percentage of senior management positions of which are held by veterans.

(B) For purposes of this paragraph, the term ''veteran'' has the meaning given such term in section 101(2) of title 38, United States Code.

SEC. 3103. SMALL BUSINESS LENDING FUND.

(a) FUND AND PROGRAM.—

(1) FUND ESTABLISHED.—There is established in the Treasury of the United States a fund to be known as the ''Small Business Lending Fund'', which shall be administered by the Secretary.

(2) PROGRAMS AUTHORIZED.—The Secretary is authorized to establish the Small Business Lending Fund Program for using the Fund consistent with this subtitle.

(b) USE OF FUND.—

(1) IN GENERAL.—Subject to paragraph (2), the Fund shall be available to the Secretary, without further appropriation or fiscal year limitation, for the costs of purchases (including commitments to purchase), and modifications of such purchases, of preferred stock and other financial instruments from eligible institutions on such terms and conditions as are determined by the Secretary in accordance with this subtitle. For purposes of this paragraph and with respect to an eligible institution, the term ''other financial instruments'' shall include only debt instruments for which such eligible institution is fully liable or equity equivalent capital of the eligible institution. Such debt instruments may be subordinated to the claims of other creditors of the eligible institution.

(2) MAXIMUM PURCHASE LIMIT.—The aggregate amount of purchases (and commitments to purchase) made pursuant to paragraph (1) may not exceed $30,000,000,000.

(3) PROCEEDS USED TO PAY DOWN PUBLIC DEBT.—All funds received by the Secretary in connection with purchases made pursuant to paragraph (1), including interest payments, dividend payments, and proceeds from the sale of any financial instrument, shall be paid into the general fund of the Treasury for reduction of the public debt.

(4) LIMITATION ON PURCHASES FROM CDLFS.—

(A) IN GENERAL.—Not more than 1 percent of the maximum purchase limit of the Program, pursuant to paragraph (2), may be used to make purchases from community development loan funds.

(B) ELIGIBILITY STANDARDS.—The Secretary, in consultation with the Community Development Financial Institutions Fund, shall develop eligibility criteria to determine the financial ability of a CDLF to participate in the Program and repay the investment. Such criteria shall include the following:

(i) Ratio of net assets to total assets is at least 20 percent.

(ii) Ratio of loan loss reserves to loans and leases 90 days or more delinquent (including loans sold with full recourse) is at least 30 percent.

(iii) Positive net income measured on a 3-year rolling average.

(iv) Operating liquidity ratio of at least 1.0 for the 4 most recent quarters and for one or both of the two preceding years.

(v) Ratio of loans and leases 90 days or more delinquent (including loans sold with full recourse) to total equity plus loan loss reserves is less than 40 percent.

(C) REQUIREMENT TO SUBMIT AUDITED FINANCIAL STATEMENTS.—CDLFs participating in the Program shall submit audited financial statements to the Secretary, have a clean audit opinion, and have at least 3 years of operating experience.

(c) CREDITS TO THE FUND.—There shall be credited to the Fund amounts made available pursuant to section 3108, to the extent provided by appropriations Acts.

(d) TERMS.—

(1) APPLICATION.—

(A) INSTITUTIONS WITH ASSETS OF $1,000,000,000 OR LESS.—Eligible institutions having total assets equal to or less than $1,000,000,000, as reported in a call report as of the end of the fourth quarter of calendar year 2009, may apply to receive a capital investment from the Fund in an amount not exceeding 5 percent of risk-weighted assets, as reported in the call report immediately preceding the date of application, less the amount of any CDCI investment and any CPP investment.

(B) INSTITUTIONS WITH ASSETS OF MORE THAN $1,000,000,000 AND LESS THAN OR EQUAL TO $10,000,000,000.—Eligible institutions having total assets of more than $1,000,000,000 but less than $10,000,000,000, as of the end of the fourth quarter of calendar year 2009, may apply to receive a capital investment from the Fund in an amount not exceeding 3 percent of risk-weighted assets, as reported in the call report immediately preceding the date of application, less the amount of any CDCI investment and any CPP investment.

(C) TREATMENT OF HOLDING COMPANIES.—In the case of an eligible institution that is a bank holding company or a savings and loan holding company having one or more insured depository institution subsidiaries, total assets shall be measured based on the combined total assets reported in the call report of the insured depository institution subsidiaries as of the end of the fourth quarter of calendar year 2009 and risk-weighted assets shall be measured based on the combined risk-weighted assets of the insured depository institution subsidiaries as reported in the call report immediately preceding the date of application.

(D) TREATMENT OF APPLICANTS THAT ARE INSTITUTIONS CONTROLLED BY HOLDING COMPANIES.—If an eligible institution that applies to receive a capital investment under the Program is under the control of a bank holding company or a savings and loan holding company, then the Secretary may use the Fund to purchase preferred stock or other financial instruments from the top-tier bank holding company or savings and loan holding company of such eligible institution, as applicable. For purposes of this subparagraph, the term ''control'' with respect to a bank holding company shall have the same meaning as in section 2(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(2)(a)(2)). For purposes of this subparagraph, the term ''control'' with respect to a savings and loan holding company shall have the same meaning as in 10(a)(2) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(2)).

(E) REQUIREMENT TO PROVIDE A SMALL BUSINESS LENDING PLAN.—At the time that an applicant submits an application to the Secretary for a capital investment under the Program, the applicant shall deliver to the appropriate Federal banking agency, and, for applicants that are State-chartered banks, to the appropriate State banking regulator, a small business lending plan describing how the applicant's business strategy and operating goals will allow it to address the needs of small businesses in the areas it serves, as well as a plan to provide linguistically and culturally appropriate outreach, where appropriate. In the case of eligible institutions that are community development loan funds, this plan shall be submitted to the Secretary. This plan shall be confidential supervisory information.

(F) TREATMENT OF APPLICANTS THAT ARE COMMUNITY DEVELOPMENT LOAN FUNDS.—Eligible institutions that are community development loan funds may apply to receive a capital investment from the Fund in an amount not exceeding 5 percent of total assets, as reported in the audited financial statements for the fiscal year of the eligible institution that ends in calendar year 2009.

(2) CONSULTATION WITH REGULATORS.—For each eligible institution that applies to receive a capital investment under the Program, the Secretary shall—

(A) consult with the appropriate Federal banking agency or, in the case of an eligible institution that is a non-depository community development financial institution, the Community Development Financial Institution Fund, for the eligible institution to determine whether the eligible institution may receive such capital investment;

(B) in the case of an eligible institution that is a State-chartered bank, consider any views received from the State banking regulator of the State of the eligible institution regarding the financial condition of the eligible institution; and

(C) in the case of a community development financial institution loan fund, consult with the Community Development Financial Institution Fund.

(3) INELIGIBILITY OF INSTITUTIONS ON FDIC PROBLEM BANK LIST.—

(A) IN GENERAL.—An eligible institution may not receive any capital investment under the Program if—

(i) such institution is on the FDIC problem bank list; or

(ii) such institution has been removed from the FDIC problem bank list for less than 90 days.

(B) CONSTRUCTION.—Nothing in subparagraph (A) shall be construed as limiting the discretion of the Secretary to deny the application of an eligible institution that is not on the FDIC problem bank list.

(C) FDIC PROBLEM BANK LIST DEFINED.—For purposes of this subparagraph, the term ''FDIC problem bank list'' means the list of institutions with a current rating of 4 or 5 under the Uniform Financial Institutions Rating System, or such other list designated by the Federal Deposit Insurance Corporation.

(4) INCENTIVES TO LEND.—

(A) REQUIREMENTS ON PREFERRED STOCK AND OTHER FINANCIAL INSTRUMENTS.—Any preferred stock or other financial instrument issued to Treasury by an eligible institution receiving a capital investment under the Program shall provide that—

(i) the rate at which dividends or interest are payable shall be 5 percent per annum initially;

(ii) within the first 2 years after the date of the capital investment under the Program, the rate may be adjusted based on the amount of an eligible institution's small business lending. Changes in the amount of small business lending shall be measured against the average amount of small business lending reported by the eligible institution in its call reports for the 4 full quarters immediately preceding the date of enactment of this Act, minus adjustments from each quarterly balance in respect of—

(I) net loan charge offs with respect to small business lending; and

(II) gains realized by the eligible institution resulting from mergers, acquisitions or purchases of loans after origination and syndication; which adjustments shall be determined in accordance with guidance promulgated by the Secretary; and

(iii) during any calendar quarter during the initial 2-year period referred to in clause (ii), an institution's rate shall be adjusted to reflect the following schedule, based on that institution's change in the amount of small business lending relative to the baseline—

(I) if the amount of small business lending has increased by less than 2.5 percent, the dividend or interest rate shall be 5 percent;

(II) if the amount of small business lending has increased by 2.5 percent or greater, but by less than 5.0 percent, the dividend or interest rate shall be 4 percent;

(III) if the amount of small business lending has increased by 5.0 percent or greater, but by less than 7.5 percent, the dividend or interest rate shall be 3 percent;

(IV) if the amount of small business lending has increased by 7.5 percent or greater, and but by less than 10.0 percent, the dividend or interest rate shall be 2 percent; or

(V) if the amount of small business lending has increased by 10 percent or greater, the dividend or interest rate shall be 1 percent.

(B) BASIS OF INITIAL RATE.—The initial dividend or interest rate shall be based on call report data published in the quarter immediately preceding the date of the capital investment under the Program.

(C) TIMING OF RATE ADJUSTMENTS.—Any rate adjustment shall occur in the calendar quarter following the publication of call report data, such that the rate based on call report data from any one calendar quarter, which is published in the first following calendar quarter, shall be adjusted in that first following calendar quarter and payable in the second following quarter.

(D) RATE FOLLOWING INITIAL 2-YEAR PERIOD.—Generally, the rate based on call report data from the eighth calendar quarter after the date of the capital investment under the Program shall be payable until the expiration of the 4½-year period that begins on the date of the investment. In the case where the amount of small business lending has remained the same or decreased relative to the institution's baseline in the eighth

quarter after the date of the capital investment under the Program, the rate shall be 7 percent until the expiration of the 4½-year period that begins on the date of the investment.

(E) RATE FOLLOWING INITIAL 4½ -YEAR PERIOD.—The dividend or interest rate paid on any preferred stock or other financial instrument issued by an eligible institution that receives a capital investment under the Program shall increase to 9 percent at the end of the 4½-year period that begins on the date of the capital investment under the Program.

(F) LIMITATION ON RATE REDUCTIONS WITH RESPECT TO CERTAIN AMOUNT.—The reduction in the dividend or interest rate payable to Treasury by any eligible institution shall be limited such that the rate reduction shall not apply to a dollar amount of the investment made by Treasury that is greater than the dollar amount increase in the amount of small business lending realized under this program. The Secretary may issue guidelines that will apply to new capital investments limiting the amount of capital available to eligible institutions consistent with this limitation.

(G) RATE ADJUSTMENTS FOR S CORPORATION.—Before making a capital investment in an eligible institution that is an S corporation or a corporation organized on a mutual basis, the Secretary may adjust the dividend or interest rate on the financial instrument to be issued to the Secretary, from the dividend or interest rate that would apply under subparagraphs (A) through (F), to take into account any differential tax treatment of securities issued by such eligible institution. For purpose of this subparagraph, the term ''S corporation'' has the same meaning as in section 1361(a) of the Internal Revenue Code of 1986.

(H) REPAYMENT DEADLINE.—The capital investment received by an eligible institution under the Program shall be evidenced by preferred stock or other financial instrument that—

(i) includes, as a term and condition, that the capital investment will—

(I) be repaid not later than the end of the 10-year period beginning on the date of the capital investment under the Program; or

(II) at the end of such 10-year period, be subject to such additional terms as the Secretary shall prescribe, which shall include a requirement that the stock or instrument shall carry the highest dividend or interest rate payable; and

(ii) provides that the term and condition described under clause (i) shall not apply if the application of that term and condition would adversely affect the capital treatment of the stock or financial instrument under current or successor applicable capital provisions compared to a capital instrument with identical terms other than the term and condition described under clause (i).

(I) REQUIREMENTS ON FINANCIAL INSTRUMENTS ISSUED BY A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION LOAN FUND.—Any equity equivalent capital issued to the Treasury by a community development loan fund receiving a capital investment under the Program shall provide that the rate at which interest is payable shall be 2 percent per annum for 8 years. After 8 years, the rate at which interest is payable shall be 9 percent.

(5) ADDITIONAL INCENTIVES TO REPAY.—The Secretary may, by regulation or guidance issued under section 3104(9), establish repayment incentives in addition to the incentive in paragraph (4)(E) that will apply to new capital investments in a manner that the Secretary determines to be consistent with the purposes of this subtitle.

(6) CAPITAL PURCHASE PROGRAM REFINANCE.—

(A) IN GENERAL.—The Secretary shall, in a manner that the Secretary determines to be consistent with the purposes of this subtitle, issue regulations and other guidance to permit eligible institutions to refinance securities issued to Treasury under the CDCI and the CPP for securities to be issued under the Program.

(B) PROHIBITION ON PARTICIPATION BY NONPAYING CPP PARTICIPANTS.—Subparagraph (A) shall not apply to any eligible institution that has missed more than one dividend payment due under the CPP. For purposes of this subparagraph, a CPP dividend payment that is submitted within 60 days of the due date of such payment shall not be considered a missed dividend payment.

(7) OUTREACH TO MINORITIES, WOMEN, AND VETERANS.—The Secretary shall require eligible institutions receiving capital investments under the Program to provide linguistically and culturally appropriate outreach and advertising in the applicant pool describing the availability and application process of receiving loans from the eligible institution that are made possible by the Program through the use of print, radio, television or electronic media outlets which target organizations, trade associations, and individuals that—

(A) represent or work within or are members of minority communities;

(B) represent or work with or are women; and

(C) represent or work with or are veterans.

(8) ADDITIONAL TERMS.—The Secretary may, by regulation or guidance issued under section 3104(9), make modifications that will apply to new capital investments in order to manage risks associated with the administration of the Fund in a manner consistent with the purposes of this subtitle.

(9) MINIMUM UNDERWRITING STANDARDS.—The appropriate Federal banking agency for an eligible institution that receives funds under the Program shall within 60 days issue guidance regarding prudent underwriting standards that must be used for loans made by the eligible institution using such funds..

SEC. 3104. ADDITIONAL AUTHORITIES OF THE SECRETARY.

The Secretary may take such actions as the Secretary deems necessary to carry out the authorities in this subtitle, including, without limitation, the following:

(1) The Secretary may use the services of any agency or instrumentality of the United States or component thereof on a reimbursable basis, and any such agency or instrumentality or component thereof is authorized to provide services as requested by the Secretary using all authorities vested in or delegated to that agency, instrumentality, or component.

(2) The Secretary may enter into contracts, including contracts for services authorized by section 3109 of title 5, United States Code.

(3) The Secretary may designate any bank, savings association, trust company, security broker or dealer, asset manager, or investment adviser as a financial agent of the Federal Government and such institution shall perform all such reasonable duties related to this subtitle as financial agent of the Federal Government as may be required. The Secretary shall have authority to amend existing agreements with financial agents, entered into during the 2-year period before the date of enactment of this Act, to perform reasonable duties related to this subtitle.

(4) The Secretary may exercise any rights received in connection with any preferred stock or other financial instruments or assets purchased or acquired pursuant to the authorities granted under this subtitle.

(5) Subject to section 3103(b)(3), the Secretary may manage any assets purchased under this subtitle, including revenues and portfolio risks therefrom.

(6) The Secretary may sell, dispose of, transfer, exchange or enter into securities loans, repurchase transactions, or other financial transactions in regard to, any preferred stock or other financial instrument or asset purchased or acquired under this subtitle, upon terms and conditions and at a price determined by the Secretary.

(7) The Secretary may manage or prohibit conflicts of interest that may arise in connection with the administration and execution of the authorities provided under this subtitle.

(8) The Secretary may establish and use vehicles, subject to supervision by the Secretary, to purchase, hold, and sell preferred stock or other financial instruments and issue obligations.

(9) The Secretary may, in consultation with the Administrator of the Small Business Administration, issue such regulations and other guidance as may be necessary or appropriate to define terms or carry out the authorities or purposes of this subtitle.

SEC. 3105. CONSIDERATIONS.

In exercising the authorities granted in this subtitle, the Secretary shall take into consideration—

(1) increasing the availability of credit for small businesses;

(2) providing funding to minority-owned eligible institutions and other eligible institutions that serve small businesses that are minority-, veteran-, and women-owned and that also serve low- and moderate-income, minority, and other underserved or rural communities;

(3) protecting and increasing American jobs;

(4) increasing the opportunity for small business development in areas with high unemployment rates that exceed the national average;

(5) ensuring that all eligible institutions may apply to participate in the program established under this subtitle, without discrimination based on geography;

(6) providing transparency with respect to use of funds provided under this subtitle;

(7) minimizing the cost to taxpayers of exercising the authorities;

(8) promoting and engaging in financial education to would-be borrowers; and

(9) providing funding to eligible institutions that serve small businesses directly affected by the discharge of oil arising from the explosion on and sinking of the mobile offshore drilling unit Deepwater Horizon and small businesses in communities that have suffered negative economic effects as a result of that discharge with particular consideration to States along the coast of the Gulf of Mexico.

SEC. 3106. REPORTS.

The Secretary shall provide to the appropriate committees of Congress—

(1) within 7 days of the end of each month commencing with the first month in which transactions are made under the Program, a written report describing all of the transactions made during the reporting period pursuant to the authorities granted under this subtitle;

(2) after the end of March and the end of September, commencing September 30, 2010, a written report on all projected costs and liabilities, all operating expenses, including compensation for financial agents, and all transactions made by the Fund, which shall include participating institutions and amounts each institution has received under the Program; and

(3) within 7 days of the end of each calendar quarter commencing with the first calendar quarter in which transactions are

made under the Program, a written report detailing how eligible institutions participating in the Program have used the funds such institutions received under the Program.

SEC. 3107. OVERSIGHT AND AUDITS.

(a) INSPECTOR GENERAL OVERSIGHT.—The Inspector General of the Department of the Treasury shall conduct, supervise, and coordinate audits and investigations of the Program through the Office of Small Business Lending Fund Program Oversight established under subsection (b).

(b) OFFICE OF SMALL BUSINESS LENDING FUND PROGRAM OVERSIGHT.—

(1) ESTABLISHMENT.—There is hereby established within the Office of the Inspector General of the Department of the Treasury a new office to be named the ''Office of Small Business Lending Fund Program Oversight'' to provide oversight of the Program.

(2) LEADERSHIP.—The Inspector General shall appoint a Special Deputy Inspector General for SBLF Program Oversight to lead the Office, with commensurate staff, who shall report directly to the Inspector General and who shall be responsible for the performance of all auditing and investigative activities relating to the Program.

(3) REPORTING.—

(A) IN GENERAL.—The Inspector General shall issue a report no less than two times a year to the Congress and the Secretary devoted to the oversight provided by the Office, including any recommendations for improvements to the Program.

(B) RECOMMENDATIONS.—With respect to any deficiencies identified in a report under subparagraph (A), the Secretary shall either—

(i) take actions to address such deficiencies; or

(ii) certify to the appropriate committees of Congress that no action is necessary or appropriate.

(4) COORDINATION.—The Inspector General, in maximizing the effectiveness of the Office, shall work with other Offices of Inspector General, as appropriate, to minimize duplication of effort and ensure comprehensive oversight of the Program.

(5) TERMINATION.—The Office shall terminate at the end of the 6-month period beginning on the date on which all capital investments are repaid under the Program or the date on which the Secretary determines that any remaining capital investments will not be repaid.

(6) DEFINITIONS.—For purposes of this subsection:

(A) OFFICE.—The term ''Office'' means the Office of Small Business Lending Fund Program Oversight established under paragraph (1).

(B) INSPECTOR GENERAL.—The term ''Inspector General'' means the Inspector General of the Department of the Treasury.

(c) GAO AUDIT.—The Comptroller General of the United States shall perform an annual audit of the Program and issue a report to the appropriate committees of Congress containing the results of such audit.

(d) REQUIRED CERTIFICATIONS.—

(1) ELIGIBLE INSTITUTION CERTIFICATION.—Each eligible institution that participates in the Program must certify that such institution is in compliance with the requirements of section 103.121 of title 31, Code of Federal Regulations, a regulation that, at a minimum, requires financial institutions, as that term is defined in 31 U.S.C. 5312(a)(2) and (c)(1)(A), to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify the person's identity, and determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency.

(2) LOAN RECIPIENTS.—With respect to funds received by an eligible institution under the Program, any business receiving a loan from the eligible institution using such funds after the date of the enactment of this Act shall certify to such eligible institution that the principals of such business have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

(e) PROHIBITION ON PORNOGRAPHY.—None of the funds made available under this subtitle may be used to pay the salary of any individual engaged in activities related to the Program who has been officially disciplined for violations of subpart G of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including child pornography, on a Federal Government computer or while performing official Federal Government duties.

SEC. 3108. CREDIT REFORM; FUNDING.

(a) CREDIT REFORM.—The cost of purchases of preferred stock and other financial instruments made as capital investments under this subtitle shall be determined as provided under the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

(b) FUNDS MADE AVAILABLE.—There are hereby appropriated, out of funds in the Treasury not otherwise appropriated, such sums as may be necessary to pay the costs of $30,000,000,000 of capital investments in eligible institutions, including the costs of modifying such investments, and reasonable costs of administering the program of making, holding, managing, and selling the capital investments.

SEC. 3109. TERMINATION AND CONTINUATION OF AUTHORITIES.

(a) TERMINATION OF INVESTMENT AUTHORITY.—The authority to make capital investments in eligible institutions, including commitments to purchase preferred stock or other instruments, provided under this subtitle shall terminate 1 year after the date of enactment of this Act.

(b) CONTINUATION OF OTHER AUTHORITIES.—The authorities of the Secretary under section 3104 shall not be limited by the termination date in subsection (a).

SEC. 3110. PRESERVATION OF AUTHORITY.

Nothing in this subtitle may be construed to limit the authority of the Secretary under any other provision of law.

SEC. 3111. ASSURANCES.

(a) SMALL BUSINESS LENDING FUND SEPARATE FROM TARP.—The Small Business Lending Fund Program is established as separate and distinct from the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008. An institution shall not, by virtue of a capital investment under the Small Business Lending Fund Program, be considered a recipient of the Troubled Asset Relief Program.

(b) CHANGE IN LAW.—If, after a capital investment has been made in an eligible institution under the Program, there is a change in law that modifies the terms of the investment or program in a materially adverse respect for the eligible institution, the eligible institution may, after consultation with the appropriate Federal banking agency for the eligible institution, repay the investment without impediment.

SEC. 3112. STUDY AND REPORT WITH RESPECT TO WOMEN-OWNED, VETERAN-OWNED, AND MINORITY-OWNED BUSINESSES.

(a) STUDY.—The Secretary shall conduct a study of the impact of the Program on women-owned businesses, veteran-owned businesses, and minority-owned businesses.

(b) REPORT.—Not later than one year after the date of enactment of this Act, the Secretary shall submit to Congress a report on the results of the study conducted pursuant to subsection (a). To the extent possible, the Secretary shall disaggregate the results of such study by ethnic group and gender.

(c) INFORMATION PROVIDED TO THE SECRETARY.—Eligible institutions that participate in the Program shall provide the Secretary with such information as the Secretary may require to carry out the study required by this section.

SEC. 3113. SENSE OF CONGRESS.

It is the sense of Congress that the Federal Deposit Insurance Corporation and other bank regulators are sending mixed messages to banks regarding regulatory capital requirements and lending standards, which is a contributing cause of decreased small business lending and increased regulatory uncertainty at community banks.

Subtitle B—State Small Business Credit Initiative

SEC. 3201. SHORT TITLE.

This subtitle may be cited as the ''State Small Business Credit Initiative Act of 2010''.

SEC. 3202. DEFINITIONS.

In this subtitle, the following definitions shall apply:

(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means—

(A) the Committee on Small Business and Entrepreneurship, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Budget, and the Committee on Appropriations of the Senate; and

(B) the Committee on Small Business, the Committee on Agriculture, the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives.

(2) APPROPRIATE FEDERAL BANKING AGENCY.—The term ''appropriate Federal banking agency''—

(A) has the same meaning as in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)); and

(B) includes the National Credit Union Administration Board in the case of any credit union the deposits of which are insured in accordance with the Federal Credit Union Act.

(3) ENROLLED LOAN.—The term ''enrolled loan'' means a loan made by a financial institution lender that is enrolled by a participating State in an approved State capital access program in accordance with this subtitle.

(4) FEDERAL CONTRIBUTION.—The term ''Federal contribution'' means the portion of the contribution made by a participating State to, or for the account of, an approved State program that is made with Federal funds allocated to the State by the Secretary under section 3203.

(5) FINANCIAL INSTITUTION.—The term ''financial institution'' means any insured depository institution, insured credit union, or community development financial institution, as those terms are each defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702)

(6) PARTICIPATING STATE.—The term ''participating State'' means any State that has been approved for participation in the Program under section 3204.

(7) PROGRAM.—The term ''Program'' means the State Small Business Credit Initiative established under this subtitle.

(8) QUALIFYING LOAN OR SWAP FUNDING FACILITY.—The term ''qualifying loan or swap funding facility'' means a contractual arrangement between a participating State and a private financial entity under which—

(A) the participating State delivers funds to the entity as collateral;

(B) the entity provides funding from the arrangement back to the participating State; and

(C) the full amount of resulting funding from the arrangement, less any fees and other costs of the arrangement, is contributed to, or for the account of, an approved State program.

(9) RESERVE FUND.—The term ''reserve fund'' means a fund, established by a participating State, dedicated to a particular financial institution lender, for the purposes of—

(A) depositing all required premium charges paid by the financial institution lender and by each borrower receiving a loan under an approved State program from that financial institution lender;

(B) depositing contributions made by the participating State, including State contributions made with Federal contributions; and

(C) covering losses on enrolled loans by disbursing accumulated funds.

(10) STATE.—The term ''State'' means—

(A) a State of the United States;

(B) the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of Northern Mariana Islands, Guam, American Samoa, and the United States Virgin Islands;

(C) when designated by a State of the United States, a political subdivision of that State that the Secretary determines has the capacity to participate in the Program; and

(D) under the circumstances described in section 3204(d), a municipality of a State of the United States to which the Secretary has given a special permission under section 3204(d).

(11) STATE CAPITAL ACCESS PROGRAM.—The term ''State capital access program'' means a program of a State that—

(A) uses public resources to promote private access to credit; and

(B) meets the eligibility criteria in section 3205(c).

(12) STATE OTHER CREDIT SUPPORT PROGRAM.—The term ''State other credit support program''—

(A) means a program of a State that—

(i) uses public resources to promote private access to credit;

(ii) is not a State capital access program; and

(iii) meets the eligibility criteria in section 3206(c); and

(B) includes, collateral support programs, loan participation programs, State-run venture capital fund programs, and credit guarantee programs.

(13) STATE PROGRAM.—The term ''State program'' means a State capital access program or a State other credit support program.

(14) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

SEC. 3203. FEDERAL FUNDS ALLOCATED TO STATES.

(a) PROGRAM ESTABLISHED; PURPOSE.—There is established the State Small Business Credit Initiative, to be administered by the Secretary. Under the Program, the Secretary shall allocate Federal funds to participating States and make the allocated funds available to the participating States as provided in this section for the uses described in this section.

(b) ALLOCATION FORMULA.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary shall allocate Federal funds to participating States so that each State is eligible to receive an amount equal to the average of the respective amounts that the State—

(A) would receive under the 2009 allocation, as determined under paragraph (2); and

(B) would receive under the 2010 allocation, as determined under paragraph (3).

(2) 2009 ALLOCATION FORMULA.—

(A) IN GENERAL.—The Secretary shall determine the 2009 allocation by allocating Federal funds among the States in the proportion that each such State's 2008 State employment decline bears to the aggregate of the 2008 State employment declines for all States.

(B) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under subparagraph (A) for each State to the extent necessary to ensure that no State receives less than 0.9 percent of the Federal funds.

(C) 2008 STATE EMPLOYMENT DECLINE DEFINED.—In this paragraph and with respect to a State, the term ''2008 State employment decline'' means the excess (if any) of—

(i) the number of individuals employed in such State determined for December 2007; over

(ii) the number of individuals employed in such State determined for December 2008.

(3) 2010 ALLOCATION FORMULA.—

(A) IN GENERAL.—The Secretary shall determine the 2010 allocation by allocating Federal funds among the States in the proportion that each such State's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all of the States.

(B) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under subparagraph (A) for each State to the extent necessary to ensure that no State receives less than 0.9 percent of the Federal funds.

(C) 2009 UNEMPLOYMENT NUMBER DEFINED.—In this paragraph and with respect to a State, the term ''2009 unemployment number'' means the number of individuals within such State who were determined to be unemployed by the Bureau of Labor Statistics for December 2009.

(c) AVAILABILITY OF ALLOCATED AMOUNT.—The amount allocated by the Secretary to each participating State under subsection (b) shall be made available to the State as follows:

(1) ALLOCATED AMOUNT GENERALLY TO BE AVAILABLE TO STATE IN ONE-THIRDS.—

(A) IN GENERAL.—The Secretary shall—

(i) apportion the participating State's allocated amount into thirds;

(ii) transfer to the participating State the first ⅓ when the Secretary approves the State for participation under section 3204; and

(iii) transfer to the participating State each successive ⅓ when the State has certified to the Secretary that it has expended, transferred, or obligated 80 percent of the last transferred ⅓ for Federal contributions to, or for the account of, State programs.

(B) AUTHORITY TO WITHHOLD PENDING AUDIT.—The Secretary may withhold the transfer of any successive ⅓ pending results of a financial audit.

(C) INSPECTOR GENERAL AUDITS.—

(i) IN GENERAL.—The Inspector General of the Department of the Treasury shall carry out an audit of the participating State's use of allocated Federal funds transferred to the State.

(ii) RECOUPMENT OF MISUSED TRANSFERRED FUNDS REQUIRED.—The allocation agreement between the Secretary and the participating State shall provide that the Secretary shall recoup any allocated Federal funds transferred to the participating State if the results of the an audit include a finding that there was an intentional or reckless misuse of transferred funds by the State.

(iii) PENALTY FOR MISSTATEMENT.—Any participating State that is found to have intentionally misstated any report issued to the Secretary under the Program shall be ineligible to receive any additional funds under the Program. Funds that had been allocated or that would otherwise have been allocated to such participating State shall be paid into the general fund of the Treasury for reduction of the public debt.

(iv) MUNICIPALITIES.—In this subparagraph, the term ''participating State'' shall include a municipality given special permission to participate in the Program, under section 3204(d).

(D) EXCEPTION.—The Secretary may, in the Secretary's discretion, transfer the full amount of the participating State's allocated amount to the State in a single transfer if the participating State applies to the Secretary for approval to use the full amount of the allocation as collateral for a qualifying loan or swap funding facility.

(2) TRANSFERRED AMOUNTS.—Each amount transferred to a participating State under this section shall remain available to the State until used by the State as permitted under paragraph (3).

(3) USE OF TRANSFERRED FUNDS.—Each participating State may use funds transferred to it under this section only—

(A) for making Federal contributions to, or for the account of, an approved State program;

(B) as collateral for a qualifying loan or swap funding facility;

(C) in the case of the first ⅓ transferred, for paying administrative costs incurred by the State in implementing an approved State program in an amount not to exceed 5 percent of that first ⅓; or

(D) in the case of each successive ⅓ transferred, for paying administrative costs incurred by the State in implementing an approved State program in an amount not to exceed 3 percent of that successive ⅓.

(4) TERMINATION OF AVAILABILITY OF AMOUNTS NOT TRANSFERRED WITHIN 2 YEARS OF PARTICIPATION.—Any portion of a participating State's allocated amount that has not been transferred to the State under this section by the end of the 2-year period beginning on the date that the Secretary approves the State for participation may be deemed by the Secretary to be no longer allocated to the State and no longer available to the State and shall be returned to the General Fund of the Treasury.

(5) TRANSFERRED AMOUNTS NOT ASSISTANCE.—The amounts transferred to a participating State under this section shall not be considered assistance for purposes of subtitle V of title 31, United States Code.

(6) DEFINITIONS.—In this section—

(A) the term ''allocated amount'' means the total amount of Federal funds allocated by the Secretary under subsection (b) to the participating State; and

(B) the term ''⅓'' means—

(i) in the case of the first ⅓ and second ⅓, an amount equal to 33 percent of a participating State's allocated amount; and

(ii) in the case of the last ⅓, an amount equal to 34 percent of a participating State's allocated amount.

SEC. 3204. APPROVING STATES FOR PARTICIPATION.

(a) APPLICATION.—Any State may apply to the Secretary for approval to be a participating State under the Program and to be eligible for an allocation of Federal funds under the Program.

(b) GENERAL APPROVAL CRITERIA.—The Secretary shall approve a State to be a participating State, if—

(1) a specific department, agency, or political subdivision of the State has been designated to implement a State program and participate in the Program;

(2) all legal actions necessary to enable such designated department, agency, or political subdivision to implement a State program and participate in the Program have been accomplished;

(3) the State has filed an application with the Secretary for approval of a State capital access program under section 3205 or approval as a State other credit support program under section 3206, in each case within the time period provided in the respective section; and

(4) the State and the Secretary have executed an allocation agreement that—

(A) conforms to the requirements of this subtitle;

(B) ensures that the State program complies with such national standards as are established by the Secretary under section 3209(a)(2);

(C) sets forth internal control, compliance, and reporting requirements as established by the Secretary, and such other terms and conditions necessary to carry out the purposes of this subtitle, including an agreement by the State to allow the Secretary to audit State programs;

(D) requires that the State program be fully positioned, within 90 days of the State's execution of the allocation agreement with the Secretary, to act on providing the kind of credit support that the State program was established to provide; and

(E) includes an agreement by the State to deliver to the Secretary, and update annually, a schedule describing how the State intends to apportion among its State programs the Federal funds allocated to the State.

(c) CONTRACTUAL ARRANGEMENTS FOR IMPLEMENTATION OF STATE PROGRAMS.—A State may be approved to be a participating State, and be eligible for an allocation of Federal funds under the Program, if the State has contractual arrangements for the implementation and administration of its State program with—

(1) an existing, approved State program administered by another State; or

(2) an authorized agent of, or entity supervised by, the State, including for-profit and not-for-profit entities.

(d) SPECIAL PERMISSION.—

(1) CIRCUMSTANCES WHEN A MUNICIPALITY MAY APPLY DIRECTLY.—If a State does not, within 60 days after the date of enactment of this Act, file with the Secretary a notice of its intent to apply for approval by the Secretary of a State program or within 9 months after the date of enactment of this Act, file with the Secretary a complete application for approval of a State program, the Secretary may grant to municipalities of that State a special permission that will allow them to apply directly to the Secretary without the State for approval to be participating municipalities.

(2) TIMING REQUIREMENTS APPLICABLE TO MUNICIPALITIES APPLYING DIRECTLY.—To qualify for the special permission, a municipality of a State shall be required, within 12 months after the date of enactment of this Act, to file with the Secretary a complete application for approval by the Secretary of a State program.

(3) NOTICES OF INTENT AND APPLICATIONS FROM MORE THAN 1 MUNICIPALITY.—A municipality of a State may combine with 1 or more other municipalities of that State to file a joint notice of intent to file and a joint application.

(4) APPROVAL CRITERIA.—The general approval criteria in paragraphs (2) and (4) shall apply.

(5) ALLOCATION TO MUNICIPALITIES.—

(A) IF MORE THAN 3.—If more than 3 municipalities, or combination of municipalities as provided in paragraph (3), of a State apply for approval by the Secretary to be participating municipalities under this subsection, and the applications meet the approval criteria in paragraph (4), the Secretary shall allocate Federal funds to the 3 municipalities with the largest populations.

(B) IF 3 OR FEWER.—If 3 or fewer municipalities, or combination of municipalities as provided in paragraph (3), of a State apply for approval by the Secretary to be participating municipalities under this subsection, and the applications meet the approval criteria in paragraph (4), the Secretary shall allocate Federal funds to each applicant municipality or combination of municipalities.

(6) APPORTIONMENT OF ALLOCATED AMOUNT AMONG PARTICIPATING MUNICIPALITIES.—If the Secretary approves municipalities to be participating municipalities under this subsection, the Secretary shall apportion the full amount of the Federal funds that are allocated to that State to municipalities that are approved under this subsection in amounts proportionate to the population of those municipalities, based on the most recent available decennial census.

(7) APPROVING STATE PROGRAMS FOR MUNICIPALITIES.—If the Secretary approves municipalities to be participating municipalities under this subsection, the Secretary shall take into account the additional considerations in section 3206(d) in making the determination under section 3205 or 3206 that the State program or programs to be implemented by the participating municipalities, including a State capital access program, is eligible for Federal contributions to, or for the account of, the State program.

SEC. 3205. APPROVING STATE CAPITAL ACCESS PROGRAMS.

(a) APPLICATION.—A participating State that establishes a new, or has an existing, State capital access program that meets the eligibility criteria in subsection (c) may apply to Secretary to have the State capital access program approved as eligible for Federal contributions to the reserve fund.

(b) APPROVAL.—The Secretary shall approve such State capital access program as eligible for Federal contributions to the reserve fund if—

(1) within 60 days after the date of enactment of this Act, the State has filed with the Secretary a notice of intent to apply for approval by the Secretary of a State capital access program;

(2) within 9 months after the date of enactment of this Act, the State has filed with the Secretary a complete application for approval by the Secretary of a capital access program;

(3) the State satisfies the requirements of subsections (a) and (b) of section 3204; and

(4) the State capital access program meets the eligibility criteria in subsection (c).

(c) ELIGIBILITY CRITERIA FOR STATE CAPITAL ACCESS PROGRAMS.—For a State capital access program to be approved under this section, that program shall be required to be a program of the State that—

(1) provides portfolio insurance for business loans based on a separate loan-loss reserve fund for each financial institution;

(2) requires insurance premiums to be paid by the financial institution lenders and by the business borrowers to the reserve fund to have their loans enrolled in the reserve fund;

(3) provides for contributions to be made by the State to the reserve fund in amounts at least equal to the sum of the amount of the insurance premium charges paid by the borrower and the financial institution to the reserve fund for any newly enrolled loan; and

(4) provides its portfolio insurance solely for loans that meet both the following requirements:

(A) The borrower has 500 employees or less at the time that the loan is enrolled in the Program.

(B) The loan amount does not exceed $5,000,000.

(d) FEDERAL CONTRIBUTIONS TO APPROVED STATE CAPITAL ACCESS PROGRAMS.—A State capital access program approved under this section will be eligible for receiving Federal contributions to the reserve fund in an amount equal to the sum of the amount of the insurance premium charges paid by the borrowers and by the financial institution to the reserve fund for loans that meet the requirements in subsection (c)(4). A participating State may use the Federal contribution to make its contribution to the reserve fund of an approved State capital access program.

(e) MINIMUM PROGRAM REQUIREMENTS FOR STATE CAPITAL ACCESS PROGRAMS.—The Secretary shall, by regulation or other guidance, prescribe Program requirements that meet the following minimum requirements:

(1) EXPERIENCE AND CAPACITY.—The participating State shall determine for each financial institution that participates in the State capital access program, after consultation with the appropriate Federal banking agency or, in the case of a financial institution that is a nondepository community development financial institution, the Community Development Financial Institution Fund, that the financial institution has sufficient commercial lending experience and financial and managerial capacity to participate in the approved State capital access program. The determination by the State shall not be reviewable by the Secretary.

(2) INVESTMENT AUTHORITY.—Subject to applicable State law, the participating State may invest, or cause to be invested, funds held in a reserve fund by establishing a deposit account at the financial institution lender in the name of the participating State. In the event that funds in the reserve fund are not deposited in such an account, such funds shall be invested in a form that the participating State determines is safe and liquid.

(3) LOAN TERMS AND CONDITIONS TO BE DETERMINED BY AGREEMENT.—A loan to be filed for enrollment in an approved State capital access program may be made with such interest rate, fees, and other terms and conditions, and the loan may be enrolled in the approved State capital access program and claims may be filed and paid, as agreed upon by the financial institution lender and the borrower, consistent with applicable law.

(4) LENDER CAPITAL AT-RISK.—A loan to be filed for enrollment in the State capital access program shall require the financial institution lender to have a meaningful amount of its own capital resources at risk in the loan.

(5) PREMIUM CHARGES MINIMUM AND MAXIMUM AMOUNTS.—The insurance premium charges payable to the reserve fund by the borrower and the financial institution lender shall be prescribed by the financial institution lender, within minimum and maximum limits that require that the sum of the insurance premium charges paid in connection with a loan by the borrower and the financial institution lender may not be less than 2 percent nor more than 7 percent of the amount of the loan enrolled in the approved State capital access program.

(6) STATE CONTRIBUTIONS.—In enrolling a loan in an approved State capital access program, the participating State may make a contribution to the reserve fund to supplement Federal contributions made under this Program.

(7) LOAN PURPOSE.—

(A) PARTICULAR LOAN PURPOSE REQUIREMENTS AND PROHIBITIONS.—In connection with the filing of a loan for enrollment in an approved State capital access program, the financial institution lender—

(i) shall obtain an assurance from each borrower that—

(I) the proceeds of the loan will be used for a business purpose;

(II) the loan will not be used to finance such business activities as the Secretary, by regulation, may proscribe as prohibited loan purposes for enrollment in an approved State capital access program; and

(III) the borrower is not—

(aa) an executive officer, director, or principal shareholder of the financial institution lender;

(bb) a member of the immediate family of an executive officer, director, or principal shareholder of the financial institution lender; or

(cc) a related interest of any such executive officer, director, principal shareholder, or member of the immediate family;

(ii) shall provide assurances to the participating State that the loan has not been made in order to place under the protection of the approved State capital access program prior debt that is not covered under the approved State capital access program and that is or was owed by the borrower to the financial institution lender or to an affiliate of the financial institution lender;

(iii) shall not allow the enrollment of a loan to a borrower that is a refinancing of a loan previously made to that borrower by the financial institution lender or an affiliate of the financial institution lender; and

(iv) may include additional restrictions on the eligibility of loans or borrowers that are not inconsistent with the provisions and purposes of this subtitle, including compliance with all applicable Federal and State laws, regulations, ordinances, and Executive orders.

(B) DEFINITIONS.—In this paragraph, the terms ''executive officer'', ''director'', ''principal shareholder'', ''immediate family'', and ''related interest'' refer to the same relationship to a financial institution lender as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.

(8) CAPITAL ACCESS FOR SMALL BUSINESSES IN UNDERSERVED COMMUNITIES.—At the time that a State applies to the Secretary to have the State capital access program approved as eligible for Federal contributions, the State shall deliver to the Secretary a report stating how the State plans to use the Federal contributions to the reserve fund to provide access to capital for small businesses in low- and moderate-income, minority, and other underserved communities, including women- and minority-owned small businesses.

SEC. 3206. APPROVING COLLATERAL SUPPORT AND OTHER INNOVATIVE CREDIT ACCESS AND GUARANTEE INITIATIVES FOR SMALL BUSINESSES AND MANUFACTURERS.

(a) APPLICATION.—A participating State that establishes a new, or has an existing, credit support program that meets the eligibility criteria in subsection (c) may apply to the Secretary to have the State other credit support program approved as eligible for Federal contributions to, or for the account of, the State program.

(b) APPROVAL.—The Secretary shall approve such State other credit support program as eligible for Federal contributions to, or for the account of, the program if—

(1) the Secretary determines that the State satisfies the requirements of paragraphs (1) through (3) of section 3205(b);

(2) the Secretary determines that the State other credit support program meets the eligibility criteria in subsection (c);

(3) the Secretary determines the State other credit support program to be eligible based on the additional considerations in subsection (d); and

(4) within 9 months after the date of enactment of this Act, the State has filed with Treasury a complete application for Treasury approval.

(c) ELIGIBILITY CRITERIA FOR STATE OTHER CREDIT SUPPORT PROGRAMS.—For a State other credit support program to be approved under this section, that program shall be required to be a program of the State that—

(1) can demonstrate that, at a minimum, $1 of public investment by the State program will cause and result in $1 of new private credit;

(2) can demonstrate a reasonable expectation that, when considered with all other State programs of the State, such State programs together have the ability to use amounts of new Federal contributions to, or for the account of, all such programs in the State to cause and result in amounts of new small business lending at least 10 times the new Federal contribution amount;

(3) for those State other credit support programs that provide their credit support through 1 or more financial institution lenders, requires the financial institution lenders to have a meaningful amount of their own capital resources at risk in their small business lending; and

(4) uses Federal funds allocated under this subtitle to extend credit support that—

(A) targets an average borrower size of 500 employees or less;

(B) does not extend credit support to borrowers that have more than 750 employees;

(C) targets support towards loans with an average principal amount of $5,000,000 or less; and

(D) does not extend credit support to loans that exceed a principal amount of $20,000,000.

(d) ADDITIONAL CONSIDERATIONS.—In making a determination that a State other credit support program is eligible for Federal contributions to, or for the account of, the State program, the Secretary shall take into account the following additional considerations:

(1) The anticipated benefits to the State, its businesses, and its residents to be derived from the Federal contributions to, or for the account of, the approved State other credit support program, including the extent to which resulting small business lending will expand economic opportunities.

(2) The operational capacity, skills, and experience of the management team of the State other credit support program.

(3) The capacity of the State other credit support program to manage increases in the volume of its small business lending.

(4) The internal accounting and administrative controls systems of the State other credit support program, and the extent to which they can provide reasonable assurance that funds of the State program are safeguarded against waste, loss, unauthorized use, or misappropriation.

(5) The soundness of the program design and implementation plan of the State other credit support program.

(e) FEDERAL CONTRIBUTIONS TO APPROVED STATE OTHER CREDIT SUPPORT PROGRAMS.—A State other credit support program approved under this section will be eligible for receiving Federal contributions to, or for the account of, the State program in an amount consistent with the schedule describing the apportionment of allocated Federal funds among State programs delivered by the State to the Secretary under the allocation agreement.

(f) MINIMUM PROGRAM REQUIREMENTS FOR STATE OTHER CREDIT SUPPORT PROGRAMS.—

(1) FUND TO PRESCRIBE.—The Secretary shall, by regulation or other guidance, prescribe Program requirements for approved State other credit support programs.

(2) CONSIDERATIONS FOR FUND.—In prescribing minimum Program requirements for approved State other credit support programs, the Secretary shall take into consideration, to the extent the Secretary determines applicable and appropriate, the minimum Program requirements for approved State capital access programs in section 3205(e).

SEC. 3207. REPORTS.

(a) QUARTERLY USE-OF-FUNDS REPORT.—

(1) IN GENERAL.—Not later than 30 days after the beginning of each calendar quarter, beginning after the first full calendar quarter to occur after the date the Secretary approves a State for participation, the participating State shall submit to the Secretary a report on the use of Federal funding by the participating State during the previous calendar quarter.

(2) REPORT CONTENTS.—Each report under this subsection shall—

(A) indicate the total amount of Federal funding used by the participating State; and

(B) include a certification by the participating State that—

(i) the information provided in accordance with subparagraph (A) is accurate;

(ii) funds continue to be available and legally committed to contributions by the State to, or for the account of, approved State programs, less any amount that has been contributed by the State to, or for the account of, approved State programs subsequent to the State being approved for participation in the Program; and

(iii) the participating State is implementing its approved State program or programs in accordance with this subtitle and regulations issued under section 3210.

(b) ANNUAL REPORT.—Not later than March 31 of each year, beginning March 31, 2011, each participating State shall submit to the Secretary an annual report that shall include the following information:

(1) The number of borrowers that received new loans originated under the approved State program or programs after the State program was approved as eligible for Federal contributions.

(2) The total amount of such new loans.

(3) Breakdowns by industry type, loan size, annual sales, and number of employees of the borrowers that received such new loans.

(4) The zip code of each borrower that received such a new loan.

(5) Such other data as the Secretary, in the Secretary's sole discretion, may require to carry out the purposes of the Program.

(c) FORM.—The reports and data filed under subsections (a) and (b) shall be in such form as the Secretary, in the Secretary's sole discretion, may require.

(d) TERMINATION OF REPORTING REQUIREMENTS.—The requirement to submit reports under subsections (a) and (b) shall terminate for a participating State with the submission of the completed reports due on the first March 31 to occur after 5 complete 12-month periods after the State is approved by the Secretary to be a participating State.

SEC. 3208. REMEDIES FOR STATE PROGRAM TERMINATION OR FAILURES.

(a) REMEDIES.—

(1) IN GENERAL.—If any of the events listed in paragraph (2) occur, the Secretary, in the Secretary's discretion, may—

(A) reduce the amount of Federal funds allocated to the State under the Program; or

(B) terminate any further transfers of allocated amounts that have not yet been transferred to the State.

(2) CAUSAL EVENTS.—The events referred to in paragraph (1) are—

(A) termination by a participating State of its participation in the Program;

(B) failure on the part of a participating State to submit complete reports under section 3207 on a timely basis; or

(C) noncompliance by the State with the terms of the allocation agreement between the Secretary and the State.

(b) DEALLOCATED AMOUNTS TO BE REALLOCATED.—If, after 13 months, any portion of the amount of Federal funds allocated to a participating State is deemed by the Secretary to be no longer allocated to the State after actions taken by the Secretary under subsection (a)(1), the Secretary shall reallocate that portion among the participating States, excluding the State whose allocated funds were deemed to be no longer allocated, as provided in section 3203(b).

SEC. 3209. IMPLEMENTATION AND ADMINISTRATION.

(a) GENERAL AUTHORITIES AND DUTIES.—The Secretary shall—

(1) consult with the Administrator of the Small Business Administration and the appropriate Federal banking agencies on the administration of the Program;

(2) establish minimum national standards for approved State programs;

(3) provide technical assistance to States for starting State programs and generally disseminate best practices;

(4) manage, administer, and perform necessary program integrity functions for the Program; and

(5) ensure adequate oversight of the approved State programs, including oversight of the cash flows, performance, and compliance of each approved State program.

(b) APPROPRIATIONS.—There is hereby appropriated to the Secretary, out of funds in the Treasury not otherwise appropriated, $900,000,000 to carry out the Program, including to pay reasonable costs of administering the Program.

(c) TERMINATION OF SECRETARY'S PROGRAM ADMINISTRATION FUNCTIONS.—The authorities and duties of the Secretary to implement and administer the Program shall terminate at the end of the 7-year period beginning on the date of enactment of this Act.

(d) EXPEDITED CONTRACTING.—During the 1-year period beginning on the date of enactment of this Act, the Secretary may enter into contracts without regard to any other provision of law regarding public contracts, for purposes of carrying out this subtitle.

SEC. 3210. REGULATIONS.

The Secretary, in consultation with the Administrator of the Small Business Administration, shall issue such regulations and other guidance as the Secretary determines necessary or appropriate to implement this subtitle including to define terms, to establish compliance and reporting requirements, and such other terms and conditions necessary to carry out the purposes of this subtitle.

SEC. 3211. OVERSIGHT AND AUDITS.

(a) INSPECTOR GENERAL OVERSIGHT.—The Inspector General of the Department of the Treasury shall conduct, supervise, and coordinate audits and investigations of the use of funds made available under the Program.

(b) GAO AUDIT.—The Comptroller General of the United States shall perform an annual audit of the Program and issue a report to the appropriate committees of Congress containing the results of such audit.

(c) REQUIRED CERTIFICATION.—

(1) FINANCIAL INSTITUTIONS CERTIFICATION.—With respect to funds received by a participating State under the Program, any financial institution that receives a loan, a loan guarantee, or other financial assistance using such funds after the date of the enactment of this Act shall certify that such institution is in compliance with the requirements of section 103.121 of title 31, Code of Federal Regulations, a regulation that, at a minimum, requires financial institutions, as that term is defined in section 5312 (a)(2) and (c)(1)(A) of title 31, United States Code, to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify the person's identity, and determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency.

(2) SEX OFFENSE CERTIFICATION.—With respect to funds received by a participating State under the Program, any private entity that receives a loan, a loan guarantee, or other financial assistance using such funds after the date of the enactment of this Act shall certify to the participating State that the principals of such entity have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

(d) PROHIBITION ON PORNOGRAPHY.—None of the funds made available under this subtitle may be used to pay the salary of any individual engaged in activities related to the Program who has been officially disciplined for violations of subpart G of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including child pornography, on a Federal Government computer or while performing official Federal Government duties.

TITLE IV—BUDGETARY PROVISIONS

SEC. 4001. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SA 4403. Mr. REID (for himself, Mr. BAUCUS, and Ms. LANDRIEU) proposed an amendment to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; as follows:

Strike all after the first word, insert the following:

1. SHORT TITLE.

This Act may be cited as the ''Small Business Jobs Act of 2010''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TITLE I—SMALL BUSINESSES

SEC. 1001. DEFINITIONS.

In this title—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively; and

(2) the term ''small business concern'' has the meaning given that term under section 3 of the Small Business Act (15 U.S.C. 632).

Subtitle A—Small Business Access to Credit

SEC. 1101. SHORT TITLE.

This subtitle may be cited as the ''Small Business Job Creation and Access to Capital Act of 2010''.

PART I—NEXT STEPS FOR MAIN STREET CREDIT AVAILABILITY

SEC. 1111. SECTION 7(a) BUSINESS LOANS.

(a) AMENDMENT.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking ''75 percent'' and inserting ''90 percent''; and

(B) in clause (ii), by striking ''85 percent'' and inserting ''90 percent''; and

(2) in paragraph (3)(A), by striking ''$1,500,000 (or if the gross loan amount would exceed $2,000,000'' and inserting ''$4,500,000 (or if the gross loan amount would exceed $5,000,000''.

(b) PROSPECTIVE REPEAL.—Effective January 1, 2011, section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking ''90 percent'' and inserting ''75 percent''; and

(B) in clause (ii), by striking ''90 percent'' and inserting ''85 percent''; and

(2) in paragraph (3)(A), by striking ''$4,500,000'' and inserting ''$3,750,000''.

SEC. 1112. MAXIMUM LOAN AMOUNTS UNDER 504 PROGRAM.

Section 502(2)(A) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)(A)) is amended—

(1) in clause (i), by striking ''$1,500,000'' and inserting ''$5,000,000'';

(2) in clause (ii), by striking ''$2,000,000'' and inserting ''$5,000,000'';

(3) in clause (iii), by striking ''$4,000,000'' and inserting ''$5,500,000'';

(4) in clause (iv), by striking ''$4,000,000'' and inserting ''$5,500,000''; and

(5) in clause (v), by striking ''$4,000,000'' and inserting ''$5,500,000''.

SEC. 1113. MAXIMUM LOAN LIMITS UNDER MICROLOAN PROGRAM.

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

(1) in paragraph (1)(B)(iii), by striking ''$35,000'' and inserting ''$50,000'';

(2) in paragraph (3)—

(A) in subparagraph (C), by striking ''$3,500,000'' and inserting ''$5,000,000''; and

(B) in subparagraph (E), by striking ''$35,000'' each place that term appears and inserting ''$50,000''; and

(3) in paragraph (11)(B), by striking ''$35,000'' and inserting ''$50,000''.

SEC. 1114. TEMPORARY FEE REDUCTIONS.

Section 501 of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 151) is amended by striking ''September 30, 2010'' each place that term appears and inserting ''December 31, 2010''.

SEC. 1115. NEW MARKETS VENTURE CAPITAL COMPANY INVESTMENT LIMITATIONS.

Section 355 of the Small Business Investment Act of 1958 (15 U.S.C. 689d) is amended by adding at the end the following:

''(e) INVESTMENT LIMITATIONS.—

''(1) DEFINITION.—In this subsection, the term 'covered New Markets Venture Capital company' means a New Markets Venture Capital company—

''(A) granted final approval by the Administrator under section 354(e) on or after March 1, 2002; and

''(B) that has obtained a financing from the Administrator.

''(2) LIMITATION.—Except to the extent approved by the Administrator, a covered New Markets Venture Capital company may not acquire or issue commitments for securities under this title for any single enterprise in an aggregate amount equal to more than 10 percent of the sum of—

''(A) the regulatory capital of the covered New Markets Venture Capital company; and

''(B) the total amount of leverage projected in the participation agreement of the covered New Markets Venture Capital.''.

SEC. 1116. ALTERNATIVE SIZE STANDARDS.

Section 3(a) of the Small Business Act (15 U.S.C. 632(a)) is amended by adding at the end the following:

''(5) ALTERNATIVE SIZE STANDARD.—

''(A) IN GENERAL.—The Administrator shall establish an alternative size standard for applicants for business loans under section 7(a) and applicants for development company

loans under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.), that uses maximum tangible net worth and average net income as an alternative to the use of industry standards.

''(B) INTERIM RULE.—Until the date on which the alternative size standard established under subparagraph (A) is in effect, an applicant for a business loan under section 7(a) or an applicant for a development company loan under title V of the Small Business Investment Act of 1958 may be eligible for such a loan if—

''(i) the maximum tangible net worth of the applicant is not more than $15,000,000; and

''(ii) the average net income after Federal income taxes (excluding any carry-over losses) of the applicant for the 2 full fiscal years before the date of the application is not more than $5,000,000.''.

SEC. 1117. SALE OF 7(a) LOANS IN SECONDARY MARKET.

Section 5(g) of the Small Business Act (15 U.S.C. 634(g)) is amended by adding at the end the following:

''(6) If the amount of the guaranteed portion of any loan under section 7(a) is more than $500,000, the Administrator shall, upon request of a pool assembler, divide the loan guarantee into increments of $500,000 and 1 increment of any remaining amount less than $500,000, in order to permit the maximum amount of any loan in a pool to be not more than $500,000. Only 1 increment of any loan guarantee divided under this paragraph may be included in the same pool. Increments of loan guarantees to different borrowers that are divided under this paragraph may be included in the same pool.''.

SEC. 1118. ONLINE LENDING PLATFORM.

It is the sense of Congress that the Administrator of the Small Business Administration should establish a website that—

(1) lists each lender that makes loans guaranteed by the Small Business Administration and provides information about the loan rates of each such lender; and

(2) allows prospective borrowers to compare rates on loans guaranteed by the Small Business Administration.

SEC. 1119. SBA SECONDARY MARKET GUARANTEE AUTHORITY.

Section 503(f) of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 155) is amended by striking ''on the date 2 years after the date of enactment of this section'' and inserting ''2 years after the date of the first sale of a pool of first lien position 504 loans guaranteed under this section to a third-party investor''.

PART II—SMALL BUSINESS ACCESS TO CAPITAL

SEC. 1122. LOW-INTEREST REFINANCING UNDER THE LOCAL DEVELOPMENT BUSINESS LOAN PROGRAM.

(a) REFINANCING.—Section 502(7) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)) is amended by adding at the end the following:

''(C) REFINANCING NOT INVOLVING EXPANSIONS.—

''(i) DEFINITIONS.—In this subparagraph—

''(I) the term 'borrower' means a small business concern that submits an application to a development company for financing under this subparagraph;

''(II) the term 'eligible fixed asset' means tangible property relating to which the Administrator may provide financing under this section; and

''(III) the term 'qualified debt' means indebtedness—

''(aa) that—

''(AA) was incurred not less than 2 years before the date of the application for assistance under this subparagraph;

''(BB) is a commercial loan;

''(CC) is not subject to a guarantee by a Federal agency;

''(DD) the proceeds of which were used to acquire an eligible fixed asset;

''(EE) was incurred for the benefit of the small business concern; and

''(FF) is collateralized by eligible fixed assets; and

''(bb) for which the borrower has been current on all payments for not less than 1 year before the date of the application.

''(ii) AUTHORITY.—A project that does not involve the expansion of a small business concern may include the refinancing of qualified debt if—

''(I) the amount of the financing is not more than 90 percent of the value of the collateral for the financing, except that, if the appraised value of the eligible fixed assets serving as collateral for the financing is less than the amount equal to 125 percent of the amount of the financing, the borrower may provide additional cash or other collateral to eliminate any deficiency;

''(II) the borrower has been in operation for all of the 2-year period ending on the date of the loan; and

''(III) for a financing for which the Administrator determines there will be an additional cost attributable to the refinancing of the qualified debt, the borrower agrees to pay a fee in an amount equal to the anticipated additional cost.

''(iii) FINANCING FOR BUSINESS EXPENSES.—

''(I) FINANCING FOR BUSINESS EXPENSES.—The Administrator may provide financing to a borrower that receives financing that includes a refinancing of qualified debt under clause (ii), in addition to the refinancing under clause (ii), to be used solely for the payment of business expenses.

''(II) APPLICATION FOR FINANCING.—An application for financing under subclause (I) shall include—

''(aa) a specific description of the expenses for which the additional financing is requested; and

''(bb) an itemization of the amount of each expense.

''(III) CONDITION ON ADDITIONAL FINANCING.—A borrower may not use any part of the financing under this clause for non-business purposes.

''(iv) LOANS BASED ON JOBS.—

''(I) JOB CREATION AND RETENTION GOALS.—

''(aa) IN GENERAL.—The Administrator may provide financing under this subparagraph for a borrower that meets the job creation goals under subsection (d) or (e) of section 501.

''(bb) ALTERNATE JOB RETENTION GOAL.—The Administrator may provide financing under this subparagraph to a borrower that does not meet the goals described in item (aa) in an amount that is not more than the product obtained by multiplying the number of employees of the borrower by $65,000.

''(II) NUMBER OF EMPLOYEES.—For purposes of subclause (I), the number of employees of a borrower is equal to the sum of—

''(aa) the number of full-time employees of the borrower on the date on which the borrower applies for a loan under this subparagraph; and

''(bb) the product obtained by multiplying—

''(AA) the number of part-time employees of the borrower on the date on which the borrower applies for a loan under this subparagraph; by

''(BB) the quotient obtained by dividing the average number of hours each part time employee of the borrower works each week by 40.

''(v) NONDELEGATION.—Notwithstanding section 508(e), the Administrator may not permit a premier certified lender to approve or disapprove an application for assistance under this subparagraph.

''(vi) TOTAL AMOUNT OF LOANS.—The Administrator may provide not more than a total of $7,500,000,000 of financing under this subparagraph for each fiscal year.''.

(b) PROSPECTIVE REPEAL.—Effective 2 years after the date of enactment of this Act, section 502(7) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)) is amended by striking subparagraph (C).

(c) TECHNICAL CORRECTION.—Section 502(2)(A)(i) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)(A)(i)) is amended by striking ''subparagraph (B) or (C)'' and inserting ''clause (ii), (iii), (iv), or (v)''.

PART III—OTHER MATTERS

SEC. 1131. SMALL BUSINESS INTERMEDIARY LENDING PILOT PROGRAM.

(a) IN GENERAL.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended by striking subsection (l) and inserting the following:

''(l) SMALL BUSINESS INTERMEDIARY LENDING PILOT PROGRAM.—

''(1) DEFINITIONS.—In this subsection—

''(A) the term 'eligible intermediary'—

''(i) means a private, nonprofit entity that—

''(I) seeks or has been awarded a loan from the Administrator to make loans to small business concerns under this subsection; and

''(II) has not less than 1 year of experience making loans to startup, newly established, or growing small business concerns; and

''(ii) includes—

''(I) a private, nonprofit community development corporation;

''(II) a consortium of private, nonprofit organizations or nonprofit community development corporations; and

''(III) an agency of or nonprofit entity established by a Native American Tribal Government; and

''(B) the term 'Program' means the small business intermediary lending pilot program established under paragraph (2).

''(2) ESTABLISHMENT.—There is established a 3-year small business intermediary lending pilot program, under which the Administrator may make direct loans to eligible intermediaries, for the purpose of making loans to startup, newly established, and growing small business concerns.

''(3) PURPOSES.—The purposes of the Program are—

''(A) to assist small business concerns in areas suffering from a lack of credit due to poor economic conditions or changes in the financial market; and

''(B) to establish a loan program under which the Administrator may provide loans to eligible intermediaries to enable the eligible intermediaries to provide loans to startup, newly established, and growing small business concerns for working capital, real estate, or the acquisition of materials, supplies, or equipment.

''(4) LOANS TO ELIGIBLE INTERMEDIARIES.—

''(A) APPLICATION.—Each eligible intermediary desiring a loan under this subsection shall submit an application to the Administrator that describes—

''(i) the type of small business concerns to be assisted;

''(ii) the size and range of loans to be made;

''(iii) the interest rate and terms of loans to be made;

''(iv) the geographic area to be served and the economic, poverty, and unemployment characteristics of the area;

''(v) the status of small business concerns in the area to be served and an analysis of the availability of credit; and

''(vi) the qualifications of the applicant to carry out this subsection.

''(B) LOAN LIMITS.—No loan may be made to an eligible intermediary under this subsection if the total amount outstanding and committed to the eligible intermediary by the Administrator would, as a result of such loan, exceed $1,000,000 during the participation of the eligible intermediary in the Program.

''(C) LOAN DURATION.—Loans made by the Administrator under this subsection shall be for a term of 20 years.

''(D) APPLICABLE INTEREST RATES.—Loans made by the Administrator to an eligible intermediary under the Program shall bear an annual interest rate equal to 1.00 percent.

''(E) FEES; COLLATERAL.—The Administrator may not charge any fees or require collateral with respect to any loan made to an eligible intermediary under this subsection.

''(F) DELAYED PAYMENTS.—The Administrator shall not require the repayment of principal or interest on a loan made to an eligible intermediary under the Program during the 2-year period beginning on the date of the initial disbursement of funds under that loan.

''(G) MAXIMUM PARTICIPANTS AND AMOUNTS.—During each of fiscal years 2011, 2012, and 2013, the Administrator may make loans under the Program—

''(i) to not more than 20 eligible intermediaries; and

''(ii) in a total amount of not more than $20,000,000.

''(5) LOANS TO SMALL BUSINESS CONCERNS.—

''(A) IN GENERAL.—The Administrator, through an eligible intermediary, shall make loans to startup, newly established, and growing small business concerns for working capital, real estate, and the acquisition of materials, supplies, furniture, fixtures, and equipment.

''(B) MAXIMUM LOAN.—An eligible intermediary may not make a loan under this subsection of more than $200,000 to any 1 small business concern.

''(C) APPLICABLE INTEREST RATES.—A loan made by an eligible intermediary to a small business concern under this subsection, may have a fixed or a variable interest rate, and shall bear an interest rate specified by the eligible intermediary in the application of the eligible intermediary for a loan under this subsection.

''(D) REVIEW RESTRICTIONS.—The Administrator may not review individual loans made by an eligible intermediary to a small business concern before approval of the loan by the eligible intermediary.

''(6) TERMINATION.—The authority of the Administrator to make loans under the Program shall terminate 3 years after the date of enactment of the Small Business Job Creation and Access to Capital Act of 2010.''.

(b) RULEMAKING AUTHORITY.—Not later than 180 days after the date of enactment of this Act, the Administrator shall issue regulations to carry out section 7(l) of the Small Business Act, as amended by subsection (a).

(c) AVAILABILITY OF FUNDS.—Any amounts provided to the Administrator for the purposes of carrying out section 7(l) of the Small Business Act, as amended by subsection (a), shall remain available until expended.

SEC. 1132. PUBLIC POLICY GOALS.

Section 501(d)(3) of the Small Business Investment Act of 1958 (15 U.S.C. 695(d)(3)) is amended—

(1) in subparagraph (J), by striking ''or'' at the end;

(2) in subparagraph (K), by striking the period at the end and inserting '', or''; and

(3) by adding at the end the following:

''(L) reduction of rates of unemployment in labor surplus areas, as such areas are determined by the Secretary of Labor.''.

SEC. 1133. DRAFT FLOOR PLAN PILOT PROGRAM EXTENSION.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) by redesignating paragraph (32), relating to increased veteran participation, as added by section 208 of the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008 (Public Law 110–186; 122 Stat. 631), as paragraph (33); and

(2) by adding at the end the following:

''(34) DEALER FLOOR PLAN FINANCING PROGRAM.—

''(A) DEFINITION.—In this paragraph, the term 'eligible retail good'—

''(i) means a good for which a title may be obtained under State law; and

''(ii) includes an automobile, recreational vehicle, boat, and manufactured home.

''(B) PROGRAM.—The Administrator may guarantee the timely payment of an open-end extension of credit to a small business concern, the proceeds of which may be used for the purchase of eligible retail goods for resale.

''(C) AMOUNT.—An open-end extension of credit guaranteed under this paragraph shall be in an amount not less than $500,000 and not more than $5,000,000.

''(D) TERM.—An open-end extension of credit guaranteed under this paragraph shall have a term of not more than 5 years.

''(E) GUARANTEE PERCENTAGE.—The Administrator may guarantee—

''(i) not less than 60 percent of an open-end extension of credit under this paragraph; and

''(ii) not more than 75 percent of an open-end extension of credit under this paragraph.

''(F) ADVANCE RATE.—The lender for an open-end extension of credit guaranteed under this paragraph may allow the borrower to draw funds on the line of credit in an amount equal to not more than 100 percent of the value of the eligible retail goods to be purchased.''.

(b) SUNSET.—Effective September 30, 2013, section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) by striking paragraph (34); and

(2) by redesignating paragraph (35), as added by section 1206 of this Act, as paragraph (34).

SEC. 1134. GUARANTEES FOR BONDS AND NOTES ISSUED FOR COMMUNITY OR ECONOMIC DEVELOPMENT PURPOSES.

The Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.) is amended by inserting after section 114 (12 U.S.C. 4713) the following:

''SEC. 114A. GUARANTEES FOR BONDS AND NOTES ISSUED FOR COMMUNITY OR ECONOMIC DEVELOPMENT PURPOSES.

''(a) DEFINITIONS.—In this section, the following definitions shall apply:

''(1) ELIGIBLE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term 'eligible community development financial institution' means a community development financial institution (as described in section 1805.201 of title 12, Code of Federal Regulations, or any successor thereto) certified by the Secretary that has applied to a qualified issuer for, or been granted by a qualified issuer, a loan under the Program.

''(2) ELIGIBLE COMMUNITY OR ECONOMIC DEVELOPMENT PURPOSE.—The term 'eligible community or economic development purpose'—

''(A) means any purpose described in section 108(b); and

''(B) includes the provision of community or economic development in low-income or underserved rural areas.

''(3) GUARANTEE.—The term 'guarantee' means a written agreement between the Secretary and a qualified issuer (or trustee), pursuant to which the Secretary ensures repayment of the verifiable losses of principal, interest, and call premium, if any, on notes or bonds issued by a qualified issuer to finance or refinance loans to eligible community development financial institutions.

''(4) LOAN.—The term 'loan' means any credit instrument that is extended under the Program for any eligible community or economic development purpose.

''(5) MASTER SERVICER.—

''(A) IN GENERAL.—The term 'master servicer' means any entity approved by the Secretary in accordance with subparagraph (B) to oversee the activities of servicers, as provided in subsection (f)(4).

''(B) APPROVAL CRITERIA FOR MASTER SERVICERS.—The Secretary shall approve or deny any application to become a master servicer under the Program not later than 90 days after the date on which all required information is submitted to the Secretary, based on the capacity and experience of the applicant in—

''(i) loan administration, servicing, and loan monitoring;

''(ii) managing regional or national loan intake, processing, or servicing operational systems and infrastructure;

''(iii) managing regional or national originator communication systems and infrastructure;

''(iv) developing and implementing training and other risk management strategies on a regional or national basis; and

''(v) compliance monitoring, investor relations, and reporting.

''(6) PROGRAM.—The term 'Program' means the guarantee Program for bonds and notes issued for eligible community or economic development purposes established under this section.

''(7) PROGRAM ADMINISTRATOR.—The term 'Program administrator' means an entity designated by the issuer to perform administrative duties, as provided in subsection (f)(2).

''(8) QUALIFIED ISSUER.—

''(A) IN GENERAL.—The term 'qualified issuer' means a community development financial institution (or any entity designated to issue notes or bonds on behalf of such community development financial institution) that meets the qualification requirements of this paragraph.

''(B) APPROVAL CRITERIA FOR QUALIFIED ISSUERS.—

''(i) IN GENERAL.—The Secretary shall approve a qualified issuer for a guarantee under the Program in accordance with the requirements of this paragraph, and such additional requirements as the Secretary may establish, by regulation.

''(ii) TERMS AND QUALIFICATIONS.—A qualified issuer shall—

''(I) have appropriate expertise, capacity, and experience, or otherwise be qualified to make loans for eligible community or economic development purposes;

''(II) provide to the Secretary—

''(aa) an acceptable statement of the proposed sources and uses of the funds; and

''(bb) a capital distribution plan that meets the requirements of subsection (c)(1); and

''(III) certify to the Secretary that the bonds or notes to be guaranteed are to be used for eligible community or economic development purposes.

''(C) DEPARTMENT OPINION; TIMING.—

''(i) DEPARTMENT OPINION.—Not later than 30 days after the date of a request by a qualified issuer for approval of a guarantee under the Program, the Secretary shall provide an opinion regarding compliance by the issuer with the requirements of the Program under this section.

''(ii) TIMING.—The Secretary shall approve or deny a guarantee under this section after

consideration of the opinion provided to the Secretary under clause (i), and in no case later than 90 days after receipt of all required information by the Secretary with respect to a request for such guarantee.

''(9) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

''(10) SERVICER.—The term 'servicer' means an entity designated by the issuer to perform various servicing duties, as provided in subsection (f)(3).

''(b) GUARANTEES AUTHORIZED.—The Secretary shall guarantee payments on bonds or notes issued by any qualified issuer, if the proceeds of the bonds or notes are used in accordance with this section to make loans to eligible community development financial institutions—

''(1) for eligible community or economic development purposes; or

''(2) to refinance loans or notes issued for such purposes.

''(c) GENERAL PROGRAM REQUIREMENTS.—

''(1) IN GENERAL.—A capital distribution plan meets the requirements of this subsection, if not less than 90 percent of the principal amount of guaranteed bonds or notes (other than costs of issuance fees) are used to make loans for any eligible community or economic development purpose, measured annually, beginning at the end of the 1-year period beginning on the issuance date of such guaranteed bonds or notes.

''(2) RELENDING ACCOUNT.—Not more than 10 percent of the principal amount of guaranteed bonds or notes, multiplied by an amount equal to the outstanding principal balance of issued notes or bonds, minus the risk-share pool amount under subsection (d), may be held in a relending account and may be made available for new eligible community or economic development purposes.

''(3) LIMITATIONS ON UNPAID PRINCIPAL BALANCES.—The proceeds of guaranteed bonds or notes under the Program may not be used to pay fees (other than costs of issuance fees), and shall be held in—

''(A) community or economic development loans;

''(B) a relending account, to the extent authorized under paragraph (2); or

''(C) a risk-share pool established under subsection (d).

''(4) REPAYMENT.—If a qualified issuer fails to meet the requirements of paragraph (1) by the end of the 90-day period beginning at the end of the annual measurement period, repayment shall be made on that portion of bonds or notes necessary to bring the bonds or notes that remain outstanding after such repayment into compliance with the 90 percent requirement of paragraph (1).

''(5) PROHIBITED USES.—The Secretary shall, by regulation—

''(A) prohibit, as appropriate, certain uses of amounts from the guarantee of a bond or note under the Program, including the use of such funds for political activities, lobbying, outreach, counseling services, or travel expenses; and

''(B) provide that the guarantee of a bond or note under the Program may not be used for salaries or other administrative costs of—

''(i) the qualified issuer; or

''(ii) any recipient of amounts from the guarantee of a bond or note.

''(d) RISK-SHARE POOL.—Each qualified issuer shall, during the term of a guarantee provided under the Program, establish a risk-share pool, capitalized by contributions from eligible community development financial institution participants an amount equal to 3 percent of the guaranteed amount outstanding on the subject notes and bonds.

''(e) GUARANTEES.—

''(1) IN GENERAL.—A guarantee issued under the Program shall—

''(A) be for the full amount of a bond or note, including the amount of principal, interest, and call premiums;

''(B) be fully assignable and transferable to the capital market, on terms and conditions that are consistent with comparable Government-guaranteed bonds, and satisfactory to the Secretary;

''(C) represent the full faith and credit of the United States; and

''(D) not exceed 30 years.

''(2) LIMITATIONS.—

''(A) ANNUAL NUMBER OF GUARANTEES.—The Secretary shall issue not more than 10 guarantees in any calendar year under the Program.

''(B) GUARANTEE AMOUNT.—The Secretary may not guarantee any amount under the Program equal to less than $100,000,000, but the total of all such guarantees in any fiscal year may not exceed $1,000,000,000.

''(f) SERVICING OF TRANSACTIONS.—

''(1) IN GENERAL.—To maximize efficiencies and minimize cost and interest rates, loans made under this section may be serviced by qualified Program administrators, bond servicers, and a master servicer.

''(2) DUTIES OF PROGRAM ADMINISTRATOR.—The duties of a Program administrator shall include—

''(A) approving and qualifying eligible community development financial institution applications for participation in the Program;

''(B) compliance monitoring;

''(C) bond packaging in connection with the Program; and

''(D) all other duties and related services that are customarily expected of a Program administrator.

''(3) DUTIES OF SERVICER.—The duties of a servicer shall include—

''(A) billing and collecting loan payments;

''(B) initiating collection activities on past-due loans;

''(C) transferring loan payments to the master servicing accounts;

''(D) loan administration and servicing;

''(E) systematic and timely reporting of loan performance through remittance and servicing reports;

''(F) proper measurement of annual outstanding loan requirements; and

''(G) all other duties and related services that are customarily expected of servicers.

''(4) DUTIES OF MASTER SERVICER.—The duties of a master servicer shall include—

''(A) tracking the movement of funds between the accounts of the master servicer and any other servicer;

''(B) ensuring orderly receipt of the monthly remittance and servicing reports of the servicer;

''(C) monitoring the collection comments and foreclosure actions;

''(D) aggregating the reporting and distribution of funds to trustees and investors;

''(E) removing and replacing a servicer, as necessary;

''(F) loan administration and servicing;

''(G) systematic and timely reporting of loan performance compiled from all bond servicers' reports;

''(H) proper distribution of funds to investors; and

''(I) all other duties and related services that are customarily expected of a master servicer.

''(g) FEES.—

''(1) IN GENERAL.—A qualified issuer that receives a guarantee issued under this section on a bond or note shall pay a fee to the Secretary, in an amount equal to 10 basis points of the amount of the unpaid principal of the bond or note guaranteed.

''(2) PAYMENT.—A qualified issuer shall pay the fee required under this subsection on an annual basis.

''(3) USE OF FEES.—Fees collected by the Secretary under this subsection shall be used to reimburse the Department of the Treasury for any administrative costs incurred by the Department in implementing the Program established under this section.

''(h) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Secretary, such sums as are necessary to carry out this section.

''(2) USE OF FEES.—To the extent that the amount of funds appropriated for a fiscal year under paragraph (1) are not sufficient to carry out this section, the Secretary may use the fees collected under subsection (g) for the cost of providing guarantees of bonds and notes under this section.

''(i) INVESTMENT IN GUARANTEED BONDS INELIGIBLE FOR COMMUNITY REINVESTMENT ACT PURPOSES.—Notwithstanding any other provision of law, any investment by a financial institution in bonds or notes guaranteed under the Program shall not be taken into account in assessing the record of such institution for purposes of the Community Reinvestment Act of 1977 (12 U.S.C. 2901).

''(j) ADMINISTRATION.—

''(1) REGULATIONS.—Not later than 1 year after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

''(2) IMPLEMENTATION.—Not later than 2 years after the date of enactment of this section, the Secretary shall implement this section.

''(k) TERMINATION.—This section is repealed, and the authority provided under this section shall terminate, on September 30, 2014.''.

SEC. 1135. TEMPORARY EXPRESS LOAN ENHANCEMENT.

(a) IN GENERAL.—Section 7(a)(31)(D) of the Small Business Act (15 U.S.C. 636(a)(31)(D)) is amended by striking ''$350,000'' and inserting ''$1,000,000''.

(b) PROSPECTIVE REPEAL.—Effective 1 year after the date of enactment of this Act, section 7(a)(31)(D) of the Small Business Act (15 U.S.C. 636(a)(31)(D)) is amended by striking ''$1,000,000'' and inserting ''$350,000''.

SEC. 1136. PROHIBITION ON USING TARP FUNDS OR TAX IN CREASES.

(a) IN GENERAL.—Except as provided in subsection (b), nothing in section 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1122, or 1131, or an amendment made by such sections, shall be construed to limit the ability of Congress to appropriate funds.

(b) TARP FUNDS AND TAX INCREASES.—

(1) IN GENERAL.—Any covered amounts may not be used to carry out section 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1122, or 1131, or an amendment made by such sections.

(2) DEFINITION.—In this subsection, the term ''covered amounts'' means—

(A) the amounts made available to the Secretary of the Treasury under title I of the Emergency Economic Stabilization Act of 2008 S.C. 5201 et seq.) to purchase (under section 101) or guarantee (under section 102) assets under that Act; and

(B) any revenue increase attributable to any amendment to the Internal Revenue Code of 1986 made during the period beginning on the date of enactment of this Act and ending on December 31, 2010.

Subtitle B—Small Business Trade and Exporting

SEC. 1201. SHORT TITLE.

This subtitle may be cited as the ''Small Business Export Enhancement and International Trade Act of 2010''.

SEC. 1202. DEFINITIONS.

(a) DEFINITIONS.—In this subtitle—

(1) the term ''Associate Administrator'' means the Associate Administrator for International Trade appointed under section

22(a)(2) of the Small Business Act, as amended by this subtitle;

(2) the term ''Export Assistance Center'' means a one-stop shop referred to in section 2301(b)(8) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4721(b)(8)); and

(3) the term ''rural small business concern'' means a small business concern located in a rural area, as that term is defined in section 1393(a)(2) of the Internal Revenue Code of 1986.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) DEFINITIONS.—Section 3 of the Small Business Act (15 U.S.C. 632) is amended by adding at the end the following:

''(t) SMALL BUSINESS DEVELOPMENT CENTER.—In this Act, the term 'small business development center' means a small business development center described in section 21.

''(u) REGION OF THE ADMINISTRATION.—In this Act, the term 'region of the Administration' means the geographic area served by a regional office of the Administration established under section 4(a).''.

(2) CONFORMING AMENDMENT.—Section 4(b)(3)(B)(x) of the Small Business Act (15 U.S.C. 633(b)(3)(B)(x)) is amended by striking ''Administration district and region'' and inserting ''district and region of the Administration''.

SEC. 1203. OFFICE OF INTERNATIONAL TRADE.

(a) ESTABLISHMENT.—Section 22 of the Small Business Act (15 U.S.C. 649) is amended—

(1) by striking ''SEC. 22. (a) There'' and inserting the following:

''SEC. 22. OFFICE OF INTERNATIONAL TRADE.

''(a) ESTABLISHMENT.—

''(1) OFFICE.—There''; and

(2) in subsection (a)—

(A) in paragraph (1), as so designated, by striking the period and inserting ''for the primary purposes of increasing—

''(A) the number of small business concerns that export; and

''(B) the volume of exports by small business concerns.''; and

(B) by adding at the end the following:

''(2) ASSOCIATE ADMINISTRATOR.—The head of the Office shall be the Associate Administrator for International Trade, who shall be responsible to the Administrator.''.

(b) AUTHORITY FOR ADDITIONAL ASSOCIATE ADMINISTRATOR.—Section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)) is amended—

(1) in the fifth sentence, by striking ''five Associate Administrators'' and inserting ''Associate Administrators''; and

(2) by adding at the end the following: ''One such Associate Administrator shall be the Associate Administrator for International Trade, who shall be the head of the Office of International Trade established under section 22.''.

(c) DISCHARGE OF INTERNATIONAL TRADE RESPONSIBILITIES OF ADMINISTRATION.—Section 22 of the Small Business Act (15 U.S.C. 649) is amended by adding at the end the following:

''(h) DISCHARGE OF INTERNATIONAL TRADE RESPONSIBILITIES OF ADMINISTRATION.—The Administrator shall ensure that—

''(1) the responsibilities of the Administration regarding international trade are carried out by the Associate Administrator;

''(2) the Associate Administrator has sufficient resources to carry out such responsibilities; and

''(3) the Associate Administrator has direct supervision and control over—

''(A) the staff of the Office; and

''(B) any employee of the Administration whose principal duty station is an Export Assistance Center, or any successor entity.''.

(d) ROLE OF ASSOCIATE ADMINISTRATOR IN CARRYING OUT INTERNATIONAL TRADE POLICY.—Section 2(b)(1) of the Small Business Act (15 U.S.C. 631(b)(1)) is amended in the matter preceding subparagraph (A)—

(1) by inserting ''the Administrator of'' before ''the Small Business Administration''; and

(2) by inserting ''through the Associate Administrator for International Trade, and'' before ''in cooperation with''.

(e) IMPLEMENTATION DATE.—Not later than 90 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall appoint an Associate Administrator for International Trade under section 22(a) of the Small Business Act (15 U.S.C. 649(a)), as added by this section.

SEC. 1204. DUTIES OF THE OFFICE OF INTERNATIONAL TRADE.

(a) AMENDMENTS TO SECTION 22.—Section 22 of the Small Business Act (15 U.S.C. 649) is amended—

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

''(b) TRADE DISTRIBUTION NETWORK.—The Associate Administrator, working in close cooperation with the Secretary of Commerce, the United States Trade Representative, the Secretary of Agriculture, the Secretary of State, the President of the Export-Import Bank of the United States, the President of the Overseas Private Investment Corporation, Director of the United States Trade and Development Agency, and other relevant Federal agencies, small business development centers engaged in export promotion efforts, Export Assistance Centers, regional and district offices of the Administration, the small business community, and relevant State and local export promotion programs, shall—

''(1) maintain a distribution network, using regional and district offices of the Administration, the small business development center network, networks of women's business centers, the Service Corps of Retired Executives authorized by section 8(b)(1), and Export Assistance Centers, for programs relating to—

''(A) trade promotion;

''(B) trade finance;

''(C) trade adjustment assistance;

''(D) trade remedy assistance; and

''(E) trade data collection;

''(2) aggressively market the programs described in paragraph (1) and disseminate information, including computerized marketing data, to small business concerns on exporting trends, market-specific growth, industry trends, and international prospects for exports;

''(3) promote export assistance programs through the district and regional offices of the Administration, the small business development center network, Export Assistance Centers, the network of women's business centers, chapters of the Service Corps of Retired Executives, State and local export promotion programs, and partners in the private sector; and

''(4) give preference in hiring or approving the transfer of any employee into the Office or to a position described in subsection (c)(9) to otherwise qualified applicants who are fluent in a language in addition to English, to—

''(A) accompany small business concerns on foreign trade missions; and

''(B) translate documents, interpret conversations, and facilitate multilingual transactions, including by providing referral lists for translation services, if required.'';

(2) in subsection (c)—

(A) by striking ''(c) The Office'' and inserting the following:

''(c) PROMOTION OF SALES OPPORTUNITIES.—The Associate Administrator'';

(B) by redesignating paragraphs (1) through (8) as paragraphs (2) through (9), respectively;

(C) by inserting before paragraph (2), as so redesignated, the following:

''(1) establish annual goals for the Office relating to—

''(A) enhancing the exporting capability of small business concerns and small manufacturers;

''(B) facilitating technology transfers;

''(C) enhancing programs and services to assist small business concerns and small manufacturers to compete effectively and efficiently against foreign entities;

''(D) increasing the ability of small business concerns to access capital; and

''(E) disseminating information concerning Federal, State, and private programs and initiatives;'';

(D) in paragraph (2), as so redesignated, by striking ''mechanism for'' and all that follows through ''(D) assisting'' and inserting the following: ''mechanism for—

''(A) identifying subsectors of the small business community with strong export potential;

''(B) identifying areas of demand in foreign markets;

''(C) prescreening foreign buyers for commercial and credit purposes; and

''(D) assisting'';

(E) in paragraph (3), as so redesignated, by striking ''assist small businesses in the formation and utilization of'' and inserting ''assist small business concerns in forming and using'';

(F) in paragraph (4), as so redesignated—

(i) by striking ''local'' and inserting ''district'';

(ii) by striking ''existing'';

(iii) by striking ''Small Business Development Center network'' and inserting ''small business development center network''; and

(iv) by striking ''Small Business Development Center Program'' and inserting ''small business development center program'';

(G) in paragraph (5), as so redesignated—

(i) in subparagraph (A), by striking ''Gross State Produce'' and inserting ''Gross State Product'';

(ii) in subparagraph (B), by striking ''SIC'' each place it appears and inserting ''North American Industry Classification System''; and

(iii) in subparagraph (C), by striking ''small businesses'' and inserting ''small business concerns'';

(H) in paragraph (6), as so redesignated, by striking the period at the end and inserting a semicolon;

(I) in paragraph (7), as so redesignated—

(i) in the matter preceding subparagraph (A)—

(I) by inserting ''concerns'' after ''small business''; and

(II) by striking ''current'' and inserting ''up to date'';

(ii) in subparagraph (A), by striking ''Administration's regional offices'' and inserting ''regional and district offices of the Administration'';

(iii) in subparagraph (B) by striking ''current'';

(iv) in subparagraph (C), by striking ''current''; and

(v) by striking ''small businesses'' each place that term appears and inserting ''small business concerns'';

(J) in paragraph (8), as so redesignated, by striking and at the end;

(K) in paragraph (9), as so redesignated—

(i) in the matter preceding subparagraph (A)—

(I) by striking ''full-time export development specialists to each Administration regional office and assigning''; and

(II) by striking ''person in each district office. Such specialists'' and inserting ''individual in each district office and providing each Administration regional office with a

full-time export development specialist, who'';

(ii) in subparagraph (B)—

(I) by striking ''current''; and

(II) by striking ''with'' and inserting ''in'';

(iii) in subparagraph (D)—

(I) by striking ''Administration personnel involved in granting'' and inserting ''personnel of the Administration involved in making''; and

(II) by striking ''and'' at the end;

(iv) in subparagraph (E)—

(I) by striking ''small businesses' needs'' and inserting ''the needs of small business concerns''; and

(II) by striking the period at the end and inserting a semicolon;

(v) by adding at the end the following:

''(F) participate, jointly with employees of the Office, in an annual training program that focuses on current small business needs for exporting; and

''(G) develop and conduct training programs for exporters and lenders, in cooperation with the Export Assistance Centers, the Department of Commerce, the Department of Agriculture, small business development centers, women's business centers, the Export-Import Bank of the United States, the Overseas Private Investment Corporation, and other relevant Federal agencies;''; and

(vi) by striking ''small businesses'' each place that term appears and inserting ''small business concerns''; and

(L) by adding at the end the following:

''(10) make available on the website of the Administration the name and contact information of each individual described in paragraph (9);

''(11) carry out a nationwide marketing effort using technology, online resources, training, and other strategies to promote exporting as a business development opportunity for small business concerns;

''(12) disseminate information to the small business community through regional and district offices of the Administration, the small business development center network, Export Assistance Centers, the network of women's business centers, chapters of the Service Corps of Retired Executives authorized by section 8(b)(1), State and local export promotion programs, and partners in the private sector regarding exporting trends, market-specific growth, industry trends, and prospects for exporting; and

''(13) establish and carry out training programs for the staff of the regional and district offices of the Administration and resource partners of the Administration on export promotion and providing assistance relating to exports.'';

(3) in subsection (d)—

(A) by redesignating paragraphs (1) through (5) as clauses (i) through (v), respectively, and adjusting the margins accordingly;

(B) by striking ''(d) The Office'' and inserting the following:

''(d) EXPORT FINANCING PROGRAMS.—

''(1) IN GENERAL.—The Associate Administrator''; and

(C) by striking ''To accomplish this goal, the Office shall work'' and inserting the following:

''(2) TRADE FINANCE SPECIALIST.—To accomplish the goal established under paragraph (1), the Associate Administrator shall—

''(A) designate at least 1 individual within the Administration as a trade finance specialist to oversee international loan programs and assist Administration employees with trade finance issues; and

''(B) work'';

(4) in subsection (e), by striking ''(e) The Office'' and inserting the following:

''(e) TRADE REMEDIES.—The Associate Administrator'';

(5) by amending subsection (f) to read as follows:

''(f) REPORTING REQUIREMENT.—The Associate Administrator shall submit an annual report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives that contains—

''(1) a description of the progress of the Office in implementing the requirements of this section;

''(2) a detailed account of the results of export growth activities of the Administration, including the activities of each district and regional office of the Administration, based on the performance measures described in subsection (i);

''(3) an estimate of the total number of jobs created or retained as a result of export assistance provided by the Administration and resource partners of the Administration;

''(4) for any travel by the staff of the Office, the destination of such travel and the benefits to the Administration and to small business concerns resulting from such travel; and

''(5) a description of the participation by the Office in trade negotiations.'';

(6) in subsection (g), by striking ''(g) The Office'' and inserting the following:

''(g) STUDIES.—The Associate Administrator''; and

(7) by adding after subsection (h), as added by section 1203 of this subtitle, the following:

''(i) EXPORT AND TRADE COUNSELING.—

''(1) DEFINITION.—In this subsection—

''(A) the term 'lead small business development center' means a small business development center that has received a grant from the Administration; and

''(B) the term 'lead women's business center' means a women's business center that has received a grant from the Administration.

''(2) CERTIFICATION PROGRAM.—The Administrator shall establish an export and trade counseling certification program to certify employees of lead small business development centers and lead women's business centers in providing export assistance to small business concerns.

''(3) NUMBER OF CERTIFIED EMPLOYEES.—The Administrator shall ensure that the number of employees of each lead small business development center who are certified in providing export assistance is not less than the lesser of—

''(A) 5; or

''(B) 10 percent of the total number of employees of the lead small business development center.

''(4) REIMBURSEMENT FOR CERTIFICATION.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Administrator shall reimburse a lead small business development center or a lead women's business center for costs relating to the certification of an employee of the lead small business center or lead women's business center in providing export assistance under the program established under paragraph (2).

''(B) LIMITATION.—The total amount reimbursed by the Administrator under subparagraph (A) may not exceed $350,000 in any fiscal year.

''(j) PERFORMANCE MEASURES.—

''(1) IN GENERAL.—The Associate Administrator shall develop performance measures for the Administration to support export growth goals for the activities of the Office under this section that include—

''(A) the number of small business concerns that—

''(i) receive assistance from the Administration;

''(ii) had not exported goods or services before receiving the assistance described in clause (i); and

''(iii) export goods or services;

''(B) the number of small business concerns receiving assistance from the Administration that export goods or services to a market outside the United States into which the small business concern did not export before receiving the assistance;

''(C) export revenues by small business concerns assisted by programs of the Administration;

''(D) the number of small business concerns referred to an Export Assistance Center or a small business development center by the staff of the Office;

''(E) the number of small business concerns referred to the Administration by an Export Assistance Center or a small business development center; and

''(F) the number of small business concerns referred to the Department of Commerce, the Department of Agriculture, the Department of State, the Export-Import Bank of the United States, the Overseas Private Investment Corporation, or the United States Trade and Development Agency by the staff of the Office, an Export Assistance Center, or a small business development center.

''(2) JOINT PERFORMANCE MEASURES.—The Associate Administrator shall develop joint performance measures for the district offices of the Administration and the Export Assistance Centers that include the number of export loans made under—

''(A) section 7(a)(16);

''(B) the Export Working Capital Program established under section 7(a)(14);

''(C) the Preferred Lenders Program, as defined in section 7(a)(2)(C)(ii); and

''(D) the export express program established under section 7(a)(34).

''(3) CONSISTENCY OF TRACKING.—The Associate Administrator, in coordination with the departments and agencies that are represented on the Trade Promotion Coordinating Committee established under section 2312 of the Export Enhancement Act of 1988 (15 U.S.C. 4727) and the small business development center network, shall develop a system to track exports by small business concerns, including information relating to the performance measures developed under paragraph (1), that is consistent with systems used by the departments and agencies and the network.''.

(b) REPORT.—Not later than 60 days after the date of enactment of this Act, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives on any travel by the staff of the Office of International Trade of the Administration, during the period beginning on October 1, 2004, and ending on the date of enactment of the Act, including the destination of such travel and the benefits to the Administration and to small business concerns resulting from such travel.

SEC. 1205. EXPORT ASSISTANCE CENTERS.

(a) EXPORT ASSISTANCE CENTERS.—Section 22 of the Small Business Act (15 U.S.C. 649), as amended by this subtitle, is amended by adding at the end the following:

''(k) EXPORT ASSISTANCE CENTERS.—

''(1) EXPORT FINANCE SPECIALISTS.—

''(A) MINIMUM NUMBER OF EXPORT FINANCE SPECIALISTS.—On and after the date that is 90 days after the date of enactment of this subsection, the Administrator, in coordination with the Secretary of Commerce, shall ensure that the number of export finance specialists is not less than the number of such employees so assigned on January 1, 2003.

''(B) EXPORT FINANCE SPECIALISTS ASSIGNED TO EACH REGION OF THE ADMINISTRATION.—On and after the date that is 2 years after the

date of enactment of this subsection, the Administrator, in coordination with the Secretary of Commerce, shall ensure that there are not fewer than 3 export finance specialists in each region of the Administration.

''(2) PLACEMENT OF EXPORT FINANCE SPECIALISTS.—

''(A) PRIORITY.—The Administrator shall give priority, to the maximum extent practicable, to placing employees of the Administration at any Export Assistance Center that—

''(i) had an Administration employee assigned to the Export Assistance Center before January 2003; and

''(ii) has not had an Administration employee assigned to the Export Assistance Center during the period beginning January 2003, and ending on the date of enactment of this subsection, either through retirement or reassignment.

''(B) NEEDS OF EXPORTERS.—The Administrator shall, to the maximum extent practicable, strategically assign Administration employees to Export Assistance Centers, based on the needs of exporters.

''(C) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to require the Administrator to reassign or remove an export finance specialist who is assigned to an Export Assistance Center on the date of enactment of this subsection.

''(3) GOALS.—The Associate Administrator shall work with the Department of Commerce, the Export-Import Bank of the United States, and the Overseas Private Investment Corporation to establish shared annual goals for the Export Assistance Centers.

''(4) OVERSIGHT.—The Associate Administrator shall designate an individual within the Administration to oversee all activities conducted by Administration employees assigned to Export Assistance Centers.

''(l) DEFINITIONS.—In this section—

''(1) the term 'Associate Administrator' means the Associate Administrator for International Trade described in subsection (a)(2);

''(2) the term 'Export Assistance Center' means a one-stop shop for United States exporters established by the United States and Foreign Commercial Service of the Department of Commerce pursuant to section 2301(b)(8) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4721(b)(8));

''(3) the term 'export finance specialist' means a full-time equivalent employee of the Office assigned to an Export Assistance Center to carry out the duties described in subsection (e); and

''(4) the term 'Office' means the Office of International Trade established under subsection (a)(1).''.

(b) STUDY AND REPORT ON FILLING GAPS IN HIGH-AND-LOW-EXPORT VOLUME AREAS.—

(1) STUDY AND REPORT.—Not later than 6 months after the date of enactment of this Act, and every 2 years thereafter, the Administrator shall—

(A) conduct a study of—

(i) the volume of exports for each State;

(ii) the availability of export finance specialists in each State;

(iii) the number of exporters in each State that are small business concerns;

(iv) the percentage of exporters in each State that are small business concerns;

(v) the change, if any, in the number of exporters that are small business concerns in each State—

(I) for the first study conducted under this subparagraph, during the 10-year period ending on the date of enactment of this Act; and

(II) for each subsequent study, during the 10-year period ending on the date the study is commenced;

(vi) the total value of the exports in each State by small business concerns;

(vii) the percentage of the total volume of exports in each State that is attributable to small business concerns; and

(viii) the change, if any, in the percentage of the total volume of exports in each State that is attributable to small business concerns—

(I) for the first study conducted under this subparagraph, during the 10-year period ending on the date of enactment of this Act; and

(II) for each subsequent study, during the 10-year period ending on the date the study is commenced; and

(B) submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report containing—

(i) the results of the study under subparagraph (A);

(ii) to the extent practicable, a recommendation regarding how to eliminate gaps between the supply of and demand for export finance specialists in the 15 States that have the greatest volume of exports, based upon the most recent data available from the Department of Commerce;

(iii) to the extent practicable, a recommendation regarding how to eliminate gaps between the supply of and demand for export finance specialists in the 15 States that have the lowest volume of exports, based upon the most recent data available from the Department of Commerce; and

(iv) such additional information as the Administrator determines is appropriate.

(2) DEFINITION.—In this subsection, the term ''export finance specialist'' has the meaning given that term in section 22(l) of the Small Business Act, as added by this title.

SEC. 1206. INTERNATIONAL TRADE FINANCE PROGRAMS.

(a) LOAN LIMITS.—

(1) TOTAL AMOUNT OUTSTANDING.—Section 7(a)(3)(B) of the Small Business Act (15 U.S.C. 636(a)(3)(B)) is amended by striking ''$1,750,000, of which not more than $1,250,000'' and inserting ''$4,500,000 (or if the gross loan amount would exceed $5,000,000), of which not more than $4,000,000''.

(2) PARTICIPATION.—Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended—

(A) in subparagraph (A), in the matter preceding clause (i), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B), (D), and (E)'';

(B) in subparagraph (D), by striking ''Notwithstanding subparagraph (A), in'' and inserting ''In''; and

(C) by adding at the end the following:

''(E) PARTICIPATION IN INTERNATIONAL TRADE LOAN.—In an agreement to participate in a loan on a deferred basis under paragraph (16), the participation by the Administration may not exceed 90 percent.''.

(b) WORKING CAPITAL.—Section 7(a)(16)(A) of the Small Business Act (15 U.S.C. 636(a)(16)(A)) is amended—

(1) in the matter preceding clause (i), by striking ''in—'' and inserting ''—'';

(2) in clause (i)—

(A) by inserting ''in'' after ''(i)''; and

(B) by striking ''or'' at the end;

(3) in clause (ii)—

(A) by inserting ''in'' after ''(ii)''; and

(B) by striking the period at the end and inserting '', including any debt that qualifies for refinancing under any other provision of this subsection; or''; and

(4) by adding at the end the following:

''(iii) by providing working capital.''.

(c) COLLATERAL.—Section 7(a)(16)(B) of the Small Business Act (15 U.S.C. 636(a)(16)(B)) is amended—

(1) by striking ''Each loan'' and inserting the following:

''(i) IN GENERAL.—Except as provided in clause (ii), each loan''; and

(2) by adding at the end the following:

''(ii) EXCEPTION.—A loan under this paragraph may be secured by a second lien position on the property or equipment financed by the loan or on other assets of the small business concern, if the Administrator determines the lien provides adequate assurance of the payment of the loan.''.

(d) EXPORT WORKING CAPITAL PROGRAM.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) in paragraph (2)(D), by striking ''not exceed'' and inserting ''be''; and

(2) in paragraph (14)—

(A) by striking ''(A) The Administration'' and inserting the following: ''EXPORT WORKING CAPITAL PROGRAM.—

''(A) IN GENERAL.—The Administrator'';

(B) by striking ''(B) When considering'' and inserting the following:

''(C) CONSIDERATIONS.—When considering'';

(C) by striking ''(C) The Administration'' and inserting the following:

''(D) MARKETING.—The Administrator''; and

(D) by inserting after subparagraph (A) the following:

''(B) TERMS.—

''(i) LOAN AMOUNT.—The Administrator may not guarantee a loan under this paragraph of more than $5,000,000.

''(ii) FEES.—

''(I) IN GENERAL.—For a loan under this paragraph, the Administrator shall collect the fee assessed under paragraph (23) not more frequently than once each year.

''(II) UNTAPPED CREDIT.—The Administrator may not assess a fee on capital that is not accessed by the small business concern.''.

(e) PARTICIPATION IN PREFERRED LENDERS PROGRAM.—Section 7(a)(2)(C) of the Small Business Act (15 U.S.C. 636(a)(2)(C)) is amended—

(1) by redesignating clause (ii) as clause (iii); and

(2) by inserting after clause (i) the following:

''(ii) EXPORT-IMPORT BANK LENDERS.—Any lender that is participating in the Delegated Authority Lender Program of the Export-Import Bank of the United States (or any successor to the Program) shall be eligible to participate in the Preferred Lenders Program.''.

(f) EXPORT EXPRESS PROGRAM.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

''(35) EXPORT EXPRESS PROGRAM.—

''(A) DEFINITIONS.—In this paragraph—

''(i) the term 'export development activity' includes—

''(I) obtaining a standby letter of credit when required as a bid bond, performance bond, or advance payment guarantee;

''(II) participation in a trade show that takes place outside the United States;

''(III) translation of product brochures or catalogues for use in markets outside the United States;

''(IV) obtaining a general line of credit for export purposes;

''(V) performing a service contract from buyers located outside the United States;

''(VI) obtaining transaction-specific financing associated with completing export orders;

''(VII) purchasing real estate or equipment to be used in the production of goods or services for export;

''(VIII) providing term loans or other financing to enable a small business concern, including an export trading company and an export management company, to develop a market outside the United States; and

''(IX) acquiring, constructing, renovating, modernizing, improving, or expanding a production facility or equipment to be used in the United States in the production of goods or services for export; and

''(ii) the term 'express loan' means a loan in which a lender uses to the maximum extent practicable the loan analyses, procedures, and documentation of the lender to provide expedited processing of the loan application.

''(B) AUTHORITY.—The Administrator may guarantee the timely payment of an express loan to a small business concern made for an export development activity.

''(C) LEVEL OF PARTICIPATION.—

''(i) MAXIMUM AMOUNT.—The maximum amount of an express loan guaranteed under this paragraph shall be $500,000.

''(ii) PERCENTAGE.—For an express loan guaranteed under this paragraph, the Administrator shall guarantee—

''(I) 90 percent of a loan that is not more than $350,000; and

''(II) 75 percent of a loan that is more than $350,000 and not more than $500,000.''.

(g) ANNUAL LISTING OF EXPORT FINANCE LENDERS.—Section 7(a)(16) of the Small Business Act (15 U.S.C. 636(a)(16)) is amended by adding at the end the following:

''(F) LIST OF EXPORT FINANCE LENDERS.—

''(i) PUBLICATION OF LIST REQUIRED.—The Administrator shall publish an annual list of the banks and participating lending institutions that, during the 1-year period ending on the date of publication of the list, have made loans guaranteed by the Administration under—

''(I) this paragraph;

''(II) paragraph (14); or

''(III) paragraph (34).

''(ii) AVAILABILITY OF LIST.—The Administrator shall—

''(I) post the list published under clause (i) on the website of the Administration; and

''(II) make the list published under clause (i) available, upon request, at each district office of the Administration.''.

(h) APPLICABILITY.—The amendments made by subsections (a) through (f) shall apply with respect to any loan made after the date of enactment of this Act.

SEC. 1207. STATE TRADE AND EXPORT PROMOTION GRANT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term ''eligible small business concern'' means a small business concern that—

(A) has been in business for not less than the 1-year period ending on the date on which assistance is provided using a grant under this section;

(B) is operating profitably, based on operations in the United States;

(C) has demonstrated understanding of the costs associated with exporting and doing business with foreign purchasers, including the costs of freight forwarding, customs brokers, packing and shipping, as determined by the Associate Administrator; and

(D) has in effect a strategic plan for exporting;

(2) the term ''program'' means the State Trade and Export Promotion Grant Program established under subsection (b);

(3) the term ''small business concern owned and controlled by women'' has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 632);

(4) the term ''socially and economically disadvantaged small business concern'' has the meaning given that term in section 8(a)(4)(A) of the Small Business Act (15 U.S.C. 6537(a)(4)(A)); and

(5) the term ''State'' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(b) ESTABLISHMENT OF PROGRAM.—The Associate Administrator shall establish a 3-year trade and export promotion pilot program to be known as the State Trade and Export Promotion Grant Program, to make grants to States to carry out export programs that assist eligible small business concerns in—

(1) participation in a foreign trade mission;

(2) a foreign market sales trip;

(3) a subscription to services provided by the Department of Commerce;

(4) the payment of website translation fees;

(5) the design of international marketing media;

(6) a trade show exhibition;

(7) participation in training workshops; or

(8) any other export initiative determined appropriate by the Associate Administrator.

(c) GRANTS.—

(1) JOINT REVIEW.—In carrying out the program, the Associate Administrator may make a grant to a State to increase the number of eligible small business concerns in the State that export or to increase the value of the exports by eligible small business concerns in the State.

(2) CONSIDERATIONS.—In making grants under this section, the Associate Administrator may give priority to an application by a State that proposes a program that—

(A) focuses on eligible small business concerns as part of an export promotion program;

(B) demonstrates success in promoting exports by—

(i) socially and economically disadvantaged small business concerns;

(ii) small business concerns owned or controlled by women; and

(iii) rural small business concerns;

(C) promotes exports from a State that is not 1 of the 10 States with the highest percentage of exporters that are small business concerns, based upon the latest data available from the Department of Commerce; and

(D) promotes new-to-market export opportunities to the People's Republic of China for eligible small business concerns in the United States.

(3) LIMITATIONS.—

(A) SINGLE APPLICATION.—A State may not submit more than 1 application for a grant under the program in any 1 fiscal year.

(B) PROPORTION OF AMOUNTS.—The total value of grants under the program made during a fiscal year to the 10 States with the highest number of exporters that are small business concerns, based upon the latest data available from the Department of Commerce, shall be not more than 40 percent of the amounts appropriated for the program for that fiscal year.

(4) APPLICATION.—A State desiring a grant under the program shall submit an application at such time, in such manner, and accompanied by such information as the Associate Administrator may establish.

(d) COMPETITIVE BASIS.—The Associate Administrator shall award grants under the program on a competitive basis.

(e) FEDERAL SHARE.—The Federal share of the cost of an export program carried out using a grant under the program shall be—

(1) for a State that has a high export volume, as determined by the Associate Administrator, not more than 65 percent; and

(2) for a State that does not have a high export volume, as determined by the Associate Administrator, not more than 75 percent.

(f) NON-FEDERAL SHARE.—The non-Federal share of the cost of an export program carried using a grant under the program shall be comprised of not less than 50 percent cash and not more than 50 percent of indirect costs and in-kind contributions, except that no such costs or contributions may be derived from funds from any other Federal program.

(g) REPORTS.—

(1) INITIAL REPORT.—Not later than 120 days after the date of enactment of this Act, the Associate Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report, which shall include—

(A) a description of the structure of and procedures for the program;

(B) a management plan for the program; and

(C) a description of the merit-based review process to be used in the program.

(2) ANNUAL REPORTS.—The Associate Administrator shall submit an annual report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives regarding the program, which shall include—

(A) the number and amount of grants made under the program during the preceding year;

(B) a list of the States receiving a grant under the program during the preceding year, including the activities being performed with grant; and

(C) the effect of each grant on exports by eligible small business concerns in the State receiving the grant.

(h) REVIEWS BY INSPECTOR GENERAL.—

(1) IN GENERAL.—The Inspector General of the Administration shall conduct a review of—

(A) the extent to which recipients of grants under the program are measuring the performance of the activities being conducted and the results of the measurements; and

(B) the overall management and effectiveness of the program.

(2) REPORT.—Not later than September 30, 2012, the Inspector General of the Administration shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding the review conducted under paragraph (1).

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the program $30,000,000 for each of fiscal years 2011, 2012, and 2013.

(j) TERMINATION.—The authority to carry out the program shall terminate 3 years after the date on which the Associate Administrator establishes the program.

SEC. 1208. RURAL EXPORT PROMOTION.

Not later than 6 months after the date of enactment of this Act, the Administrator, in consultation with the Secretary of Agriculture and the Secretary of Commerce, shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report that contains—

(1) a description of each program of the Administration that promotes exports by rural small business concerns, including—

(A) the number of rural small business concerns served by the program;

(B) the change, if any, in the number of rural small business concerns as a result of participation in the program during the 10-year period ending on the date of enactment of this Act;

(C) the volume of exports by rural small business concerns that participate in the program; and

(D) the change, if any, in the volume of exports by rural small businesses that participate in the program during the 10-year period ending on the date of enactment of this Act;

(2) a description of the coordination between programs of the Administration and other Federal programs that promote exports by rural small business concerns;

(3) recommendations, if any, for improving the coordination described in paragraph (2);

(4) a description of any plan by the Administration to market the international trade financing programs of the Administration through lenders that—

(A) serve rural small business concerns; and

(B) are associated with financing programs of the Department of Agriculture;

(5) recommendations, if any, for improving coordination between the counseling programs and export financing programs of the Administration, in order to increase the volume of exports by rural small business concerns; and

(6) any additional information the Administrator determines is necessary.

SEC. 1209. INTERNATIONAL TRADE COOPERATION BY SMALL BUSINESS DEVELOPMENT CENTERS.

Section 21(a) of the Small Business Act (15 U.S.C. 648(a)) is amended—

(1) by striking ''(2) The Small Business Development Centers'' and inserting the following:

''(2) COOPERATION TO PROVIDE INTERNATIONAL TRADE SERVICES.—

''(A) INFORMATION AND SERVICES.—The small business development centers''; and

(2) in paragraph (2)—

(A) in subparagraph (A), as so designated, by inserting ''(including State trade agencies),'' after ''local agencies''; and

(B) by adding at the end the following:

''(B) COOPERATION WITH STATE TRADE AGENCIES AND EXPORT ASSISTANCE CENTERS.—A small business development center that counsels a small business concern on issues relating to international trade shall—

''(i) consult with State trade agencies and Export Assistance Centers to provide appropriate services to the small business concern; and

''(ii) as necessary, refer the small business concern to a State trade agency or an Export Assistance Center for further counseling or assistance.

''(C) DEFINITION.—In this paragraph, the term 'Export Assistance Center' has the same meaning as in section 22.''.

Subtitle C—Small Business Contracting

PART I—CONTRACT BUNDLING

SEC. 1311. SMALL BUSINESS ACT.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1202, is amended by adding at the end the following:

''(v) MULTIPLE AWARD CONTRACT.—In this Act, the term 'multiple award contract' means—

''(1) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

''(2) any other indefinite delivery, indefinite quantity contract that is entered into by the head of a Federal agency with 2 or more sources pursuant to the same solicitation.''.

SEC. 1312. LEADERSHIP AND OVERSIGHT.

(a) IN GENERAL.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended by adding at the end the following:

''(q) BUNDLING ACCOUNTABILITY MEASURES.—

''(1) TEAMING REQUIREMENTS.—Each Federal agency shall include in each solicitation for any multiple award contract above the substantial bundling threshold of the Federal agency a provision soliciting bids from any responsible source, including responsible small business concerns and teams or joint ventures of small business concerns.

''(2) POLICIES ON REDUCTION OF CONTRACT BUNDLING.—

''(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Federal Acquisition Regulatory Council established under section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 4219(a)) shall amend the Federal Acquisition Regulation issued under section 25 of such Act to—

''(i) establish a Government-wide policy regarding contract bundling, including regarding the solicitation of teaming and joint ventures under paragraph (1); and

''(ii) require that the policy established under clause (i) be published on the website of each Federal agency.

''(B) RATIONALE FOR CONTRACT BUNDLING.—Not later than 30 days after the date on which the head of a Federal agency submits data certifications to the Administrator for Federal Procurement Policy, the head of the Federal agency shall publish on the website of the Federal agency a list and rationale for any bundled contract for which the Federal agency solicited bids or that was awarded by the Federal agency.

''(3) REPORTING.—Not later than 90 days after the date of enactment of this subsection, and every 3 years thereafter, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding procurement center representatives and commercial market representatives, which shall—

''(A) identify each area for which the Administration has assigned a procurement center representative or a commercial market representative;

''(B) explain why the Administration selected the areas identified under subparagraph (A); and

''(C) describe the activities performed by procurement center representatives and commercial market representatives.''.

(b) TECHNICAL CORRECTION.—Section 15(g) of the Small Business Act (15 U.S.C. 644(g)) is amended by striking ''Administrator of the Office of Federal Procurement Policy'' each place it appears and inserting ''Administrator for Federal Procurement Policy''.

(c) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report regarding the procurement center representative program of the Administration.

(2) CONTENTS.—The report submitted under paragraph (1) shall—

(A) address ways to improve the effectiveness of the procurement center representative program in helping small business concerns obtain Federal contracts;

(B) evaluate the effectiveness of procurement center representatives and commercial marketing representatives; and

(C) include recommendations, if any, on how to improve the procurement center representative program.

(d) ELECTRONIC PROCUREMENT CENTER REPRESENTATIVE.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator shall implement a 3-year pilot electronic procurement center representative program.

(2) REPORT.—Not later than 30 days after the pilot program under paragraph (1) ends, the Comptroller General of the United States shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding the pilot program.

SEC. 1313. CONSOLIDATION OF CONTRACT REQUIREMENTS.

(a) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 44 as section 45; and

(2) by inserting after section 43 the following:

''SEC. 44. CONSOLIDATION OF CONTRACT REQUIREMENTS.

''(a) DEFINITIONS.—In this section—

''(1) the term 'Chief Acquisition Officer' means the employee of a Federal agency designated as the Chief Acquisition Officer for the Federal agency under section 16(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(a));

''(2) the term 'consolidation of contract requirements', with respect to contract requirements of a Federal agency, means a use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy 2 or more requirements of the Federal agency for goods or services that have been provided to or performed for the Federal agency under 2 or more separate contracts lower in cost than the total cost of the contract for which the offers are solicited; and

''(3) the term 'senior procurement executive' means an official designated under section 16(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(c)) as the senior procurement executive for a Federal agency.

''(b) POLICY.—The head of each Federal agency shall ensure that the decisions made by the Federal agency regarding consolidation of contract requirements of the Federal agency are made with a view to providing small business concerns with appropriate opportunities to participate as prime contractors and subcontractors in the procurements of the Federal agency.

''(c) LIMITATION ON USE OF ACQUISITION STRATEGIES INVOLVING CONSOLIDATION.—

''(1) IN GENERAL.—Subject to paragraph (4), the head of a Federal agency may not carry out an acquisition strategy that includes a consolidation of contract requirements of the Federal agency with a total value of more than $2,000,000, unless the senior procurement executive or Chief Acquisition Officer for the Federal agency, before carrying out the acquisition strategy—

''(A) conducts market research;

''(B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements;

''(C) makes a written determination that the consolidation of contract requirements is necessary and justified;

''(D) identifies any negative impact by the acquisition strategy on contracting with small business concerns; and

''(E) certifies to the head of the Federal agency that steps will be taken to include small business concerns in the acquisition strategy.

''(2) DETERMINATION THAT CONSOLIDATION IS NECESSARY AND JUSTIFIED.—

''(A) IN GENERAL.—A senior procurement executive or Chief Acquisition Officer may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for the purposes of paragraph (1)(C) if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contracting approaches identified under paragraph (1)(B).

''(B) SAVINGS IN ADMINISTRATIVE OR PERSONNEL COSTS.—For purposes of subparagraph (A), savings in administrative or personnel costs alone do not constitute a sufficient justification for a consolidation of contract requirements in a procurement unless the expected total amount of the cost savings, as determined by the senior procurement executive or Chief Acquisition Officer, is expected to be substantial in relation to the total cost of the procurement.

''(3) BENEFITS TO BE CONSIDERED.—The benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts—

''(A) quality;

''(B) acquisition cycle;

''(C) terms and conditions; and

''(D) any other benefit.

''(4) DEPARTMENT OF DEFENSE.—

''(A) IN GENERAL.—The Department of Defense and each military department shall comply with this section until after the date described in subparagraph (C).

''(B) RULE.—After the date described in subparagraph (C), contracting by the Department of Defense or a military department shall be conducted in accordance with section 2382 of title 10, United States Code.

''(C) DATE.—The date described in this subparagraph is the date on which the Administrator determines the Department of Defense or a military department is in compliance with the Government-wide contracting goals under section 15.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 2382(b)(1) of title 10, United States Code, is amended by striking ''An official'' and inserting ''Subject to section 44(c)(4), an official''.

SEC. 1314. SMALL BUSINESS TEAMS PILOT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term ''Pilot Program'' means the Small Business Teaming Pilot Program established under subsection (b); and

(2) the term ''eligible organization'' means a well-established national organization for small business concerns with the capacity to provide assistance to small business concerns (which may be provided with the assistance of the Administrator) relating to—

(A) customer relations and outreach;

(B) team relations and outreach; and

(C) performance measurement and quality assurance.

(b) ESTABLISHMENT.—The Administrator shall establish a Small Business Teaming Pilot Program for teaming and joint ventures involving small business concerns.

(c) GRANTS.—Under the Pilot Program, the Administrator may make grants to eligible organizations to provide assistance and guidance to teams of small business concerns seeking to compete for larger procurement contracts.

(d) CONTRACTING OPPORTUNITIES.—The Administrator shall work with eligible organizations receiving a grant under the Pilot Program to recommend appropriate contracting opportunities for teams or joint ventures of small business concerns.

(e) REPORT.—Not later than 1 year before the date on which the authority to carry out the Pilot Program terminates under subsection (f), the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the effectiveness of the Pilot Program.

(f) TERMINATION.—The authority to carry out the Pilot Program shall terminate 5 years after the date of enactment of this Act.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under subsection (c) $5,000,000 for each of fiscal years 2010 through 2015.

PART II—SUBCONTRACTING INTEGRITY

SEC. 1321. SUBCONTRACTING MISREPRESENTATIONS.

Not later than 1 year after the date of enactment of this Act, the Administrator, in consultation with the Administrator for Federal Procurement Policy, shall promulgate regulations relating to, and the Federal Acquisition Regulatory Council established under section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)) shall amend the Federal Acquisition Regulation issued under section 25 of such Act to establish a policy on, subcontracting compliance relating to small business concerns, including assignment of compliance responsibilities between contracting offices, small business offices, and program offices and periodic oversight and review activities.

SEC. 1322. SMALL BUSINESS SUBCONTRACTING IMPROVEMENTS.

Section 8(d)(6) of the Small Business Act (15 U.S.C. 637(d)(6)) is amended—

(1) in subparagraph (E), by striking ''and'' at the end;

(2) in subparagraph (F), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end, the following:

''(G) a representation that the offeror or bidder will—

''(i) make a good faith effort to acquire articles, equipment, supplies, services, or materials, or obtain the performance of construction work from the small business concerns used in preparing and submitting to the contracting agency the bid or proposal, in the same amount and quality used in preparing and submitting the bid or proposal; and

''(ii) provide to the contracting officer a written explanation if the offeror or bidder fails to acquire articles, equipment, supplies, services, or materials or obtain the performance of construction work as described in clause (i).''.

PART III—ACQUISITION PROCESS

SEC. 1331. RESERVATION OF PRIME CONTRACT AWARDS FOR SMALL BUSINESSES.

Section 15 of the Small Business Act (15 U.S.C. 644), as amended by this Act, is amended by adding at the end the following:

''(r) MULTIPLE AWARD CONTRACTS.—Not later than 1 year after the date of enactment of this subsection, the Administrator for Federal Procurement Policy and the Administrator, in consultation with the Administrator of General Services, shall, by regulation, establish guidance under which Federal agencies may, at their discretion—

''(1) set aside part or parts of a multiple award contract for small business concerns, including the subcategories of small business concerns identified in subsection (g)(2);

''(2) notwithstanding the fair opportunity requirements under section 2304c(b) of title 10, United States Code, and section 303J(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253j(b)), set aside orders placed against multiple award contracts for small business concerns, including the subcategories of small business concerns identified in subsection (g)(2); and

''(3) reserve 1 or more contract awards for small business concerns under full and open multiple award procurements, including the subcategories of small business concerns identified in subsection (g)(2).''.

SEC. 1332. MICRO-PURCHASE GUIDELINES.

Not later than 1 year after the date of enactment of this Act, the Director of the Office of Management and Budget, in coordination with the Administrator of General Services, shall issue guidelines regarding the analysis of purchase card expenditures to identify opportunities for achieving and accurately measuring fair participation of small business concerns in purchases in an amount not in excess of the micro-purchase threshold, as defined in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) (in this section referred to as ''micro-purchases''), consistent with the national policy on small business participation in Federal procurements set forth in sections 2(a) and 15(g) of the Small Business Act (15 U.S.C. 631(a) and 644(g)), and dissemination of best practices for participation of small business concerns in micro-purchases.

SEC. 1333. AGENCY ACCOUNTABILITY.

Section 15(g)(2) of the Small Business Act (15 U.S.C. 644(g)(2)) is amended—

(1) by inserting ''(A)'' after ''(2)'';

(2) by striking ''Goals established'' and inserting the following:

''(B) Goals established'';

(3) by striking ''Whenever'' and inserting the following:

''(C) Whenever'';

(4) by striking ''For the purpose of'' and inserting the following:

''(D) For the purpose of'';

(5) by striking ''The head of each Federal agency, in attempting to attain such participation'' and inserting the following:

''(E) The head of each Federal agency, in attempting to attain the participation described in subparagraph (D)'';

(6) in subparagraph (E), as so designated—

(A) by striking ''(A) contracts'' and inserting ''(i) contracts''; and

(B) by striking ''(B) contracts'' and inserting ''(ii) contracts''; and

(7) by adding at the end the following:

''(F)(i) Each procurement employee or program manager described in clause (ii) shall communicate to the subordinates of the procurement employee or program manager the importance of achieving small business goals.

''(ii) A procurement employee or program manager described in this clause is a senior procurement executive, senior program manager, or Director of Small and Disadvantaged Business Utilization of a Federal agency having contracting authority.''.

SEC. 1334. PAYMENT OF SUBCONTRACTORS.

Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended by adding at the end the following:

''(12) PAYMENT OF SUBCONTRACTORS.—

''(A) DEFINITION.—In this paragraph, the term 'covered contract' means a contract relating to which a prime contractor is required to develop a subcontracting plan under paragraph (4) or (5).

''(B) NOTICE.—

''(i) IN GENERAL.—A prime contractor for a covered contract shall notify in writing the contracting officer for the covered contract if the prime contractor pays a reduced price to a subcontractor for goods and services upon completion of the responsibilities of the subcontractor or the payment to a subcontractor is more than 90 days past due for goods or services provided for the covered contract for which the Federal agency has paid the prime contractor.

''(ii) CONTENTS.—A prime contractor shall include the reason for the reduction in a payment to or failure to pay a subcontractor in any notice made under clause (i).

''(C) PERFORMANCE.—A contracting officer for a covered contract shall consider the unjustified failure by a prime contractor to make a full or timely payment to a subcontractor in evaluating the performance of the prime contractor.

''(D) CONTROL OF FUNDS.—If the contracting officer for a covered contract determines that a prime contractor has a history of unjustified, untimely payments to contractors, the contracting officer shall record

the identity of the contractor in accordance with the regulations promulgated under subparagraph (E).

''(E) REGULATIONS.—Not later than 1 year after the date of enactment of this paragraph, the Federal Acquisition Regulatory Council established under section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)) shall amend the Federal Acquisition Regulation issued under section 25 of such Act to—

''(i) describe the circumstances under which a contractor may be determined to have a history of unjustified, untimely payments to subcontractors;

''(ii) establish a process for contracting officers to record the identity of a contractor described in clause (i); and

''(iii) require the identity of a contractor described in clause (i) to be incorporated in, and made publicly available through, the Federal Awardee Performance and Integrity Information System, or any successor thereto.''.

SEC. 1335. REPEAL OF SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The Business Opportunity Development Reform Act of 1988 (Public Law 100–656) is amended by striking title VII (15 U.S.C. 644 note).

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by this section—

(1) shall take effect on the date of enactment of this Act; and

(2) apply to the first full fiscal year after the date of enactment of this Act.

PART IV—SMALL BUSINESS SIZE AND STATUS INTEGRITY

SEC. 1341. POLICY AND PRESUMPTIONS.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1311, is amended by adding at the end the following:

''(w) PRESUMPTION.—

''(1) IN GENERAL.—In every contract, subcontract, cooperative agreement, cooperative research and development agreement, or grant which is set aside, reserved, or otherwise classified as intended for award to small business concerns, there shall be a presumption of loss to the United States based on the total amount expended on the contract, subcontract, cooperative agreement, cooperative research and development agreement, or grant whenever it is established that a business concern other than a small business concern willfully sought and received the award by misrepresentation.

''(2) DEEMED CERTIFICATIONS.—The following actions shall be deemed affirmative, willful, and intentional certifications of small business size and status:

''(A) Submission of a bid or proposal for a Federal grant, contract, subcontract, cooperative agreement, or cooperative research and development agreement reserved, set aside, or otherwise classified as intended for award to small business concerns.

''(B) Submission of a bid or proposal for a Federal grant, contract, subcontract, cooperative agreement, or cooperative research and development agreement which in any way encourages a Federal agency to classify the bid or proposal, if awarded, as an award to a small business concern.

''(C) Registration on any Federal electronic database for the purpose of being considered for award of a Federal grant, contract, subcontract, cooperative agreement, or cooperative research agreement, as a small business concern.

''(3) CERTIFICATION BY SIGNATURE OF RESPONSIBLE OFFICIAL.—

''(A) IN GENERAL.—Each solicitation, bid, or application for a Federal contract, subcontract, or grant shall contain a certification concerning the small business size and status of a business concern seeking the Federal contract, subcontract, or grant.

''(B) CONTENT OF CERTIFICATIONS.—A certification that a business concern qualifies as a small business concern of the exact size and status claimed by the business concern for purposes of bidding on a Federal contract or subcontract, or applying for a Federal grant, shall contain the signature of an authorized official on the same page on which the certification is contained.

''(4) REGULATIONS.—The Administrator shall promulgate regulations to provide adequate protections to individuals and business concerns from liability under this subsection in cases of unintentional errors, technical malfunctions, and other similar situations.''.

SEC. 1342. ANNUAL CERTIFICATION.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1341, is amended by adding at the end the following:

''(x) ANNUAL CERTIFICATION.—

''(1) IN GENERAL.—Each business certified as a small business concern under this Act shall annually certify its small business size and, if appropriate, its small business status, by means of a confirming entry on the Online Representations and Certifications Application database of the Administration, or any successor thereto.

''(2) REGULATIONS.—Not later than 1 year after the date of enactment of this subsection, the Administrator, in consultation with the Inspector General and the Chief Counsel for Advocacy of the Administration, shall promulgate regulations to ensure that—

''(A) no business concern continues to be certified as a small business concern on the Online Representations and Certifications Application database of the Administration, or any successor thereto, without fulfilling the requirements for annual certification under this subsection; and

''(B) the requirements of this subsection are implemented in a manner presenting the least possible regulatory burden on small business concerns.''.

SEC. 1343. TRAINING FOR CONTRACTING AND ENFORCEMENT PERSONNEL.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Federal Acquisition Institute, in consultation with the Administrator for Federal Procurement Policy, the Defense Acquisition University, and the Administrator, shall develop courses for acquisition personnel concerning proper classification of business concerns and small business size and status for purposes of Federal contracts, subcontracts, grants, cooperative agreements, and cooperative research and development agreements.

(b) POLICY ON PROSECUTIONS OF SMALL BUSINESS SIZE AND STATUS FRAUD.—Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1342, is amended by adding at the end the following:

''(y) POLICY ON PROSECUTIONS OF SMALL BUSINESS SIZE AND STATUS FRAUD.—Not later than 1 year after the date of enactment of this subsection, the Administrator, in consultation with the Attorney General, shall issue a Government-wide policy on prosecution of small business size and status fraud, which shall direct Federal agencies to appropriately publicize the policy.''.

SEC. 1344. UPDATED SIZE STANDARDS.

(a) ROLLING REVIEW.—

(1) IN GENERAL.—The Administrator shall—

(A) during the 18-month period beginning on the date of enactment of this Act, and during every 18-month period thereafter, conduct a detailed review of not less than ⅓ of the size standards for small business concerns established under section 3(a)(2) of the Small Business Act (15 U.S.C. 632(a)(2)), which shall include holding not less than 2 public forums located in different geographic regions of the United States;

(B) after completing each review under subparagraph (A) make appropriate adjustments to the size standards established under section 3(a)(2) of the Small Business Act to reflect market conditions;

(C) make publicly available—

(i) information regarding the factors evaluated as part of each review conducted under subparagraph (A); and

(ii) information regarding the criteria used for any revised size standards promulgated under subparagraph (B); and

(D) not later than 30 days after the date on which the Administrator completes each review under subparagraph (A), submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives and make publicly available a report regarding the review, including why the Administrator—

(i) used the factors and criteria described in subparagraph (C); and

(ii) adjusted or did not adjust each size standard that was reviewed under the review.

(2) COMPLETE REVIEW OF SIZE STANDARDS.—The Administrator shall ensure that each size standard for small business concerns established under section 3(a)(2) of the Small Business Act (15 U.S.C. 632(a)(2)) is reviewed under paragraph (1) not less frequently than once every 5 years.

(b) RULES.—Not later than 1 year after the date of enactment of this Act, the Administrator shall promulgate rules for conducting the reviews required under subsection (a).

SEC. 1345. STUDY AND REPORT ON THE MENTOR-PROTEGE PROGRAM.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the mentor-protege program of the Administration for small business concerns participating in programs under section 8(a) of the Small Business Act (15 U.S.C. 637(a)), and other relationships and strategic alliances pairing a larger business and a small business concern partner to gain access to Federal Government contracts, to determine whether the programs and relationships are effectively supporting the goal of increasing the participation of small business concerns in Government contracting.

(b) MATTERS TO BE STUDIED.—The study conducted under this section shall include—

(1) a review of a broad cross-section of industries; and

(2) an evaluation of—

(A) how each Federal agency carrying out a program described in subsection (a) administers and monitors the program;

(B) whether there are systems in place to ensure that the mentor-protege relationship, or similar affiliation, promotes real gain to the protege, and is not just a mechanism to enable participants that would not otherwise qualify under section 8(a) of the Small Business Act (15 U.S.C. 637(a)) to receive contracts under that section; and

(C) the degree to which protege businesses become able to compete for Federal contracts without the assistance of a mentor.

(c) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the results of the study conducted under this section.

SEC. 1346. CONTRACTING GOALS REPORTS.

Section 15(h)(2) of the Small Business Act (15 U.S.C. 644(h)(2)) is amended by striking ''submit them'' and all that follows through ''the following:'' and inserting ''submit to

the President and the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives the compilation and analysis, which shall include the following:''.

SEC. 1347. SMALL BUSINESS CONTRACTING PARITY.

(a) DEFINITIONS.—In this section—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively; and

(2) the terms ''HUBZone small business concern'', ''small business concern'', ''small business concern owned and controlled by service-disabled veterans'', and ''small business concern owned and controlled by women'' have the same meanings as in section 3 of the Small Business Act (15 U.S.C. 632).

(b) CONTRACTING IMPROVEMENTS.—

(1) CONTRACTING OPPORTUNITIES.—Section 31(b)(2)(B) of the Small Business Act (15 U.S.C. 657a(b)(2)(B)) is amended by striking ''shall'' and inserting ''may''.

(2) CONTRACTING GOALS.—Section 15(g)(1) of the Small Business Act (15 U.S.C. 644(g)(1)) is amended in the fourth sentence by inserting ''and subcontract'' after ''not less than 3 percent of the total value of all prime contract''.

(3) MENTOR-PROTEGE PROGRAMS.—The Administrator may establish mentor-protege programs for small business concerns owned and controlled by service-disabled veterans, small business concerns owned and controlled by women, and HUBZone small business concerns modeled on the mentor-protege program of the Administration for small business concerns participating in programs under section 8(a) of the Small Business Act (15 U.S.C. 637(a)).

(c) SMALL BUSINESS CONTRACTING PROGRAMS PARITY.—Section 31(b)(2) of the Small Business Act (15 U.S.C. 657a(b)(2)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''Notwithstanding any other provision of law—'';

(2) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking ''a contracting'' and inserting ''SOLE SOURCE CONTRACTS.—A contracting''; and

(B) in clause (iii), by striking the semicolon at the end and inserting a period;

(3) in subparagraph (B)—

(A) by striking ''a contract opportunity shall'' and inserting ''RESTRICTED COMPETITION.—A contract opportunity may''; and

(B) by striking ''; and'' and inserting a period; and

(4) in subparagraph (C), by striking ''not later'' and inserting ''APPEALS.—Not later''.

Subtitle D—Small Business Management and Counseling Assistance

SEC. 1401. MATCHING REQUIREMENTS UNDER SMALL BUSINESS PROGRAMS.

(a) MICROLOAN PROGRAM.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (3)(B)—

(A) by striking ''As a condition'' and inserting the following:

''(i) IN GENERAL.—Subject to clause (ii), as a condition'';

(B) by striking ''the Administration'' and inserting ''the Administrator''; and

(C) by adding at the end the following:

''(ii) WAIVER OF NON-FEDERAL SHARE.—

''(I) IN GENERAL.—Upon request by an intermediary, and in accordance with this clause, the Administrator may waive, in whole or in part, the requirement to obtain non-Federal funds under clause (i) for a fiscal year. The Administrator may waive the requirement to obtain non-Federal funds under this clause for successive fiscal years.

''(II) CONSIDERATIONS.—In determining whether to waive the requirement to obtain non-Federal funds under this clause, the Administrator shall consider—

''(aa) the economic conditions affecting the intermediary;

''(bb) the impact a waiver under this clause would have on the credibility of the microloan program under this subsection;

''(cc) the demonstrated ability of the intermediary to raise non-Federal funds; and

''(dd) the performance of the intermediary.

''(III) LIMITATIONS.—

''(aa) IN GENERAL.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause if granting the waiver would undermine the credibility of the microloan program under this subsection.

''(bb) SUNSET.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause for fiscal year 2013 or any fiscal year thereafter.''; and

(2) in paragraph (4)(B)—

(A) by striking ''As a condition'' and all that follows through ''the Administration shall require'' and inserting the following:

''(i) IN GENERAL.—Subject to clause (ii), as a condition of a grant made under subparagraph (A), the Administrator shall require''; and

(B) by adding at the end the following:

''(ii) WAIVER OF NON-FEDERAL SHARE.—

''(I) IN GENERAL.—Upon request by an intermediary, and in accordance with this clause, the Administrator may waive, in whole or in part, the requirement to obtain non-Federal funds under clause (i) for a fiscal year. The Administrator may waive the requirement to obtain non-Federal funds under this clause for successive fiscal years.

''(II) CONSIDERATIONS.—In determining whether to waive the requirement to obtain non-Federal funds under this clause, the Administrator shall consider—

''(aa) the economic conditions affecting the intermediary;

''(bb) the impact a waiver under this clause would have on the credibility of the microloan program under this subsection;

''(cc) the demonstrated ability of the intermediary to raise non-Federal funds; and

''(dd) the performance of the intermediary.

''(III) LIMITATIONS.—

''(aa) IN GENERAL.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause if granting the waiver would undermine the credibility of the microloan program under this subsection.

''(bb) SUNSET.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause for fiscal year 2013 or any fiscal year thereafter.''.

(b) WOMEN'S BUSINESS CENTER PROGRAM.—Section 29(c) of the Small Business Act (15 U.S.C. 656(c)) is amended—

(1) in paragraph (1), by striking ''As a condition'' and inserting ''Subject to paragraph (5), as a condition''; and

(2) by adding at the end the following:

''(5) WAIVER OF NON-FEDERAL SHARE RELATING TO TECHNICAL ASSISTANCE AND COUNSELING.—

''(A) IN GENERAL.—Upon request by a recipient organization, and in accordance with this paragraph, the Administrator may waive, in whole or in part, the requirement to obtain non-Federal funds under this subsection for the technical assistance and counseling activities of the recipient organization carried out using financial assistance under this section for a fiscal year. The Administrator may waive the requirement to obtain non-Federal funds under this paragraph for successive fiscal years.

''(B) CONSIDERATIONS.—In determining whether to waive the requirement to obtain non-Federal funds under this paragraph, the Administrator shall consider—

''(i) the economic conditions affecting the recipient organization;

''(ii) the impact a waiver under this clause would have on the credibility of the women's business center program under this section;

''(iii) the demonstrated ability of the recipient organization to raise non-Federal funds; and

''(iv) the performance of the recipient organization.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—The Administrator may not waive the requirement to obtain non-Federal funds under this paragraph if granting the waiver would undermine the credibility of the women's business center program under this section.

''(ii) SUNSET.—The Administrator may not waive the requirement to obtain non-Federal funds under this paragraph for fiscal year 2013 or any fiscal year thereafter.''.

(c) PROSPECTIVE REPEALS.—Effective October 1, 2012, the Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) in section 7(m) (15 U.S.C. 636(m))—

(A) in paragraph (3)(B)—

(i) by striking ''INTERMEDIARY CONTRIBUTION.—'' and all that follows through ''Subject to clause (ii), as'' and inserting ''INTERMEDIARY CONTRIBUTION.—As''; and

(ii) by striking clause (ii); and

(B) in paragraph (4)(B)—

(i) by striking ''CONTRIBUTION.—'' and all that follows through ''Subject to clause (ii), as'' and inserting ''CONTRIBUTION.—As''; and

(ii) by striking clause (ii); and

(2) in section 29(c) (15 U.S.C. 656(c))—

(A) in paragraph (1), by striking ''Subject to paragraph (5), as'' and inserting ''As''; and

(B) by striking paragraph (5).

SEC. 1402. GRANTS FOR SBDCS.

(a) IN GENERAL.—The Administrator may make grants to small business development centers under section 21 of the Small Business Act (15 U.S.C. 648) to provide targeted technical assistance to small business concerns seeking access to capital or credit, Federal procurement opportunities, energy efficiency audits to reduce energy bills, opportunities to export products or provide services to foreign customers, adopting, making innovations in, and using broadband technologies, or other assistance.

(b) ALLOCATION.—

(1) IN GENERAL.—Subject to paragraph (2), and notwithstanding the requirements of section 21(a)(4)(C)(iii) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(iii)), the amount appropriated to carry out this section shall be allocated under the formula under section 21(a)(4)(C)(i) of that Act.

(2) MINIMUM FUNDING.—The amount made available under this section to each State shall be not less than $325,000.

(3) TYPES OF USES.—Of the total amount of the grants awarded by the Administrator under this section—

(A) not less than 80 percent shall be used for counseling of small business concerns; and

(B) not more than 20 percent may be used for classes or seminars.

(c) NO NON-FEDERAL SHARE REQUIRED.—Notwithstanding section 21(a)(4)(A) of the Small Business Act (15 U.S.C. 648(a)(4)(A)), the recipient of a grant made under this section shall not be required to provide non-Federal matching funds.

(d) DISTRIBUTION.—Not later than 30 days after the date on which amounts are appropriated to carry out this section, the Administrator shall disburse the total amount appropriated.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator $50,000,000 to carry out this section.

Subtitle E—Disaster Loan Improvement

SEC. 1501. AQUACULTURE BUSINESS DISASTER ASSISTANCE.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1343, is amended by adding at the end the following:

''(z) AQUACULTURE BUSINESS DISASTER ASSISTANCE.—Subject to section 18(a) and notwithstanding section 18(b)(1), the Administrator may provide disaster assistance under section 7(b)(2) to aquaculture enterprises that are small businesses.''.

Subtitle F—Small Business Regulatory Relief

SEC. 1601. REQUIREMENTS PROVIDING FOR MORE DETAILED ANALYSES.

Section 604(a) of title 5, United States Code, is amended—

(1) in paragraph (1), by striking ''succinct'';

(2) in paragraph (2), by striking ''summary'' each place it appears and inserting ''statement'';

(3) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(4) by inserting after paragraph (2) the following:

''(3) the response of the agency to any comments filed by the Chief Counsel for Advocacy of the Small Business Administration in response to the proposed rule, and a detailed statement of any change made to the proposed rule in the final rule as a result of the comments;''.

SEC. 1602. OFFICE OF ADVOCACY.

(a) IN GENERAL.—Section 203 of Public Law 94–305 (15 U.S.C. 634c) is amended—

(1) in paragraph (4), by striking ''and'' at the end;

(2) in paragraph (5), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(6) carry out the responsibilities of the Office of Advocacy under chapter 6 of title 5, United States Code.''.

(b) BUDGETARY LINE ITEM AND AUTHORIZATION OF APPROPRIATIONS.—Title II of Public Law 94–305 (15 U.S.C. 634a et seq.) is amended by striking section 207 and inserting the following:

''SEC. 207. BUDGETARY LINE ITEM AND AUTHORIZATION OF APPROPRIATIONS.

''(a) APPROPRIATION REQUESTS.—Each budget of the United States Government submitted by the President under section 1105 of title 31, United States Code, shall include a separate statement of the amount of appropriations requested for the Office of Advocacy of the Small Business Administration, which shall be designated in a separate account in the General Fund of the Treasury.

''(b) ADMINISTRATIVE OPERATIONS.—The Administrator of the Small Business Administration shall provide the Office of Advocacy with appropriate and adequate office space at central and field office locations, together with such equipment, operating budget, and communications facilities and services as may be necessary, and shall provide necessary maintenance services for such offices and the equipment and facilities located in such offices.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this title. Any amount appropriated under this subsection shall remain available, without fiscal year limitation, until expended.''.

Subtitle G—Appropriations Provisions

SEC. 1701. SALARIES AND EXPENSES.

(a) APPROPRIATION.—There is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2010, $150,000,000, to remain available until September 30, 2012, for an additional amount for the appropriations account appropriated under the heading ''SALARIES AND EXPENSES'' under the heading ''SMALL BUSINESS ADMINISTRATION'', of which—

(1) $50,000,000 is for grants to small business development centers authorized under section 1402;

(2) $1,000,000 is for the costs of administering grants authorized under section 1402;

(3) $30,000,000 is for grants to States for fiscal year 2011 to carry out export programs that assist small business concerns authorized under section 1207;

(4) $30,000,000 is for grants to States for fiscal year 2012 to carry out export programs that assist small business concerns authorized under section 1207;

(5) $2,500,000 is for the costs of administering grants authorized under section 1207;

(6) $5,000,000 is for grants for fiscal year 2011 under the Small Business Teaming Pilot Program under section 1314; and

(7) $5,000,000 is for grants for fiscal year 2012 under the Small Business Teaming Pilot Program under section 1314.

(b) REPORT.—Not later than 60 days after the date of enactment of this Act, the Administrator shall submit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a detailed expenditure plan for using the funds provided under subsection (a).

SEC. 1702. BUSINESS LOANS PROGRAM ACCOUNT.

(a) IN GENERAL.—There is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2010, for an additional amount for the appropriations account appropriated under the heading ''BUSINESS LOANS PROGRAM ACCOUNT'' under the heading ''SMALL BUSINESS ADMINISTRATION''—

(1) $8,000,000, to remain available until September 30, 2012, for fiscal year 2011 for the cost of direct loans authorized under section 7(l) of the Small Business Act, as added by section 1131 of this title, including the cost of modifying the loans;

(2) $8,000,000, to remain available until September 30, 2012, for fiscal year 2012 for the cost of direct loans authorized under section 7(l) of the Small Business Act, as added by section 1131 of this title, including the cost of modifying the loans;

(3) $6,500,000, to remain available until September 30, 2012, for administrative expenses to carry out the direct loan program authorized under section 7(l) of the Small Business Act, as added by section 1131 of this title, which may be transferred to and merged with the appropriations account appropriated under the heading ''SALARIES AND EXPENSES'' under the heading ''SMALL BUSINESS ADMINISTRATION''; and

(4) $15,000,000, to remain available until September 30, 2011, for the cost of guaranteed loans as authorized under section 7(a) of the Small Business Act, including the cost of modifying the loans.

(b) DEFINITION.—In this section, the term ''cost'' has the meaning given that term in section 502 of the Congressional Budget Act of 1974.

SEC. 1703. COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT.

There is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2010, for an additional amount for the appropriations account appropriated under the heading ''COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT'' under the heading ''DEPARTMENT OF THE TREASURY'', $13,500,000, to remain available until September 30, 2012, for the costs of administering guarantees for bonds and notes as authorized under section 114A of the Riegle Community Development and Regulatory Improvement Act of 1994, as added by section 1134 of this Act.

TITLE II—TAX PROVISIONS

SEC. 2001. SHORT TITLE.

This title may be cited as the ''Creating Small Business Jobs Act of 2010''.

Subtitle A—Small Business Relief

PART I—PROVIDING ACCESS TO CAPITAL

SEC. 2011. TEMPORARY EXCLUSION OF 100 PERCENT OF GAIN ON CERTAIN SMALL BUSINESS STOCK.

(a) IN GENERAL.—Subsection (a) of section 1202 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) 100 PERCENT EXCLUSION FOR STOCK ACQUIRED DURING CERTAIN PERIODS IN 2010.—In the case of qualified small business stock acquired after the date of the enactment of the Creating Small Business Jobs Act of 2010 and before January 1, 2011—

''(A) paragraph (1) shall be applied by substituting '100 percent' for '50 percent',

''(B) paragraph (2) shall not apply, and

''(C) paragraph (7) of section 57(a) shall not apply.''.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 1202(a) of the Internal Revenue Code of 1986 is amended—

(1) by inserting ''CERTAIN PERIODS IN'' before ''2010'' in the heading, and

(2) by striking ''before January 1, 2011'' and inserting ''on or before the date of the enactment of the Creating Small Business Jobs Act of 2010''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to stock acquired after the date of the enactment of this Act.

SEC. 2012. GENERAL BUSINESS CREDITS OF ELIGIBLE SMALL BUSINESSES FOR 2010 CARRIED BACK 5 YEARS.

(a) IN GENERAL.—Section 39(a) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) 5-YEAR CARRYBACK FOR ELIGIBLE SMALL BUSINESS CREDITS.—

''(A) IN GENERAL.—Notwithstanding subsection (d), in the case of eligible small business credits determined in the first taxable year of the taxpayer beginning in 2010—

''(i) paragraph (1) shall be applied by substituting 'each of the 5 taxable years' for 'the taxable year' in subparagraph (A) thereof, and

''(ii) paragraph (2) shall be applied—

''(I) by substituting '25 taxable years' for '21 taxable years' in subparagraph (A) thereof, and

''(II) by substituting '24 taxable years' for '20 taxable years' in subparagraph (B) thereof.

''(B) ELIGIBLE SMALL BUSINESS CREDITS.—For purposes of this subsection, the term 'eligible small business credits' has the meaning given such term by section 38(c)(5)(B).''.

(b) CONFORMING AMENDMENT.—Section 39(a)(3)(A) of the Internal Revenue Code of 1986 is amended by inserting ''or the eligible small business credits'' after ''credit)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to credits determined in taxable years beginning after December 31, 2009.

SEC. 2013. GENERAL BUSINESS CREDITS OF ELIGIBLE SMALL BUSINESSES IN 2010 NOT SUBJECT TO ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Section 38(c) of the Internal Revenue Code of 1986 is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) SPECIAL RULES FOR ELIGIBLE SMALL BUSINESS CREDITS IN 2010.—

''(A) IN GENERAL.—In the case of eligible small business credits determined in taxable years beginning in 2010—

''(i) this section and section 39 shall be applied separately with respect to such credits, and

''(ii) in applying paragraph (1) to such credits—

''(I) the tentative minimum tax shall be treated as being zero, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the eligible small business credits).

''(B) ELIGIBLE SMALL BUSINESS CREDITS.—For purposes of this subsection, the term 'eligible small business credits' means the sum of the credits listed in subsection (b) which are determined for the taxable year with respect to an eligible small business. Such credits shall not be taken into account under paragraph (2), (3), or (4).

''(C) ELIGIBLE SMALL BUSINESS.—For purposes of this subsection, the term 'eligible small business' means, with respect to any taxable year—

''(i) a corporation the stock of which is not publicly traded,

''(ii) a partnership, or

''(iii) a sole proprietorship,

if the average annual gross receipts of such corporation, partnership, or sole proprietorship for the 3-taxable-year period preceding such taxable year does not exceed $50,000,000. For purposes of applying the test under the preceding sentence, rules similar to the rules of paragraphs (2) and (3) of section 448(c) shall apply.''.

(b) TECHNICAL AMENDMENT.—Section 55(e)(5) of the Internal Revenue Code of 1986 is amended by striking ''38(c)(3)(B)'' and inserting ''38(c)(4)(B)''.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to credits determined in taxable years beginning after December 31, 2009, and to carrybacks of such credits.

SEC. 2014. TEMPORARY REDUCTION IN RECOGNITION PERIOD FOR BUILT-IN GAINS TAX.

(a) IN GENERAL.—Subparagraph (B) of section 1374(d)(7) of the Internal Revenue Code of 1986 is amended to read as follows:

''(B) SPECIAL RULES FOR 2009, 2010, AND 2011.—No tax shall be imposed on the net recognized built-in gain of an S corporation—

''(i) in the case of any taxable year beginning in 2009 or 2010, if the 7th taxable year in the recognition period preceded such taxable year, or

''(ii) in the case of any taxable year beginning in 2011, if the 5th year in the recognition period preceded such taxable year.

The preceding sentence shall be applied separately with respect to any asset to which paragraph (8) applies.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2010.

PART II—ENCOURAGING INVESTMENT

SEC. 2021. INCREASED EXPENSING LIMITATIONS FOR 2010 AND 2011; CERTAIN REAL PROPERTY TREATED AS SECTION 179 PROPERTY.

(a) INCREASED LIMITATIONS.—Subsection (b) of section 179 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''shall not exceed'' and all that follows in paragraph (1) and inserting ''shall not exceed—

''(A) $250,000 in the case of taxable years beginning after 2007 and before 2010,

''(B) $500,000 in the case of taxable years beginning in 2010 or 2011, and

''(C) $25,000 in the case of taxable years beginning after 2011.'', and

(2) by striking ''exceeds'' and all that follows in paragraph (2) and inserting ''exceeds—

''(A) $800,000 in the case of taxable years beginning after 2007 and before 2010,

''(B) $2,000,000 in the case of taxable years beginning in 2010 or 2011, and

''(C) $200,000 in the case of taxable years beginning after 2011.''.

(b) INCLUSION OF CERTAIN REAL PROPERTY.—Section 179 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(f) SPECIAL RULES FOR QUALIFIED REAL PROPERTY.—

''(1) IN GENERAL.—If a taxpayer elects the application of this subsection for any taxable year beginning in 2010 or 2011, the term 'section 179 property' shall include any qualified real property which is—

''(A) of a character subject to an allowance for depreciation,

''(B) acquired by purchase for use in the active conduct of a trade or business, and

''(C) not described in the last sentence of subsection (d)(1).

''(2) QUALIFIED REAL PROPERTY.—For purposes of this subsection, the term 'qualified real property' means—

''(A) qualified leasehold improvement property described in section 168(e)(6),

''(B) qualified restaurant property described in section 168(e)(7) (without regard to the dates specified in subparagraph (A)(i) thereof), and

''(C) qualified retail improvement property described in section 168(e)(8) (without regard to subparagraph (E) thereof).

''(3) LIMITATION.—For purposes of applying the limitation under subsection (b)(1)(B), not more than $250,000 of the aggregate cost which is taken into account under subsection (a) for any taxable year may be attributable to qualified real property.

''(4) CARRYOVER LIMITATION.—

''(A) IN GENERAL.—Notwithstanding subsection (b)(3)(B), no amount attributable to qualified real property may be carried over to a taxable year beginning after 2011.

''(B) TREATMENT OF DISALLOWED AMOUNTS.—Except as provided in subparagraph (C), to the extent that any amount is not allowed to be carried over to a taxable year beginning after 2011 by reason of subparagraph (A), this title shall be applied as if no election under this section had been made with respect to such amount.

''(C) AMOUNTS CARRIED OVER FROM 2010.—If subparagraph (B) applies to any amount (or portion of an amount) which is carried over from a taxable year other than the taxpayer's last taxable year beginning in 2011, such amount (or portion of an amount) shall be treated for purposes of this title as attributable to property placed in service on the first day of the taxpayer's last taxable year beginning in 2011.

''(D) ALLOCATION OF AMOUNTS.—For purposes of applying this paragraph and subsection (b)(3)(B) to any taxable year, the amount which is disallowed under subsection (b)(3)(A) for such taxable year which is attributed to qualified real property shall be the amount which bears the same ratio to the total amount so disallowed as—

''(i) the aggregate amount attributable to qualified real property placed in service during such taxable year, increased by the portion of any amount carried over to such taxable year from a prior taxable year which is attributable to such property, bears to

''(ii) the total amount of section 179 property placed in service during such taxable year, increased by the aggregate amount carried over to such taxable year from any prior taxable year.

For purposes of the preceding sentence, only section 179 property with respect to which an election was made under subsection (c)(1) (determined without regard to subparagraph (B) of this paragraph) shall be taken into account.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2009, in taxable years beginning after such date.

SEC. 2022. ADDITIONAL FIRST-YEAR DEPRECIATION FOR 50 PERCENT OF THE BASIS OF CERTAIN QUALIFIED PROPERTY.

(a) IN GENERAL.—Paragraph (2) of section 168(k) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''January 1, 2011'' in subparagraph (A)(iv) and inserting ''January 1, 2012'', and

(2) by striking ''January 1, 2010'' each place it appears and inserting ''January 1, 2011''.

(b) CONFORMING AMENDMENTS.—

(1) The heading for subsection (k) of section 168 of the Internal Revenue Code of 1986 is amended by striking ''JANUARY 1, 2010'' and inserting ''JANUARY 1, 2011''.

(2) The heading for clause (ii) of section 168(k)(2)(B) of such Code is amended by striking ''PRE-JANUARY 1, 2010'' and inserting ''PRE-JANUARY 1, 2011''.

(3) Subparagraph (D) of section 168(k)(4) of such Code is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting a comma, and by adding at the end the following new clauses:

''(iv) 'January 1, 2011' shall be substituted for 'January 1, 2012' in subparagraph (A)(iv) thereof, and

''(v) 'January 1, 2010' shall be substituted for 'January 1, 2011' each place it appears in subparagraph (A) thereof.''.

(4) Subparagraph (B) of section 168(l)(5) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(5) Subparagraph (C) of section 168(n)(2) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(6) Subparagraph (D) of section 1400L(b)(2) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(7) Subparagraph (B) of section 1400N(d)(3) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2009, in taxable years beginning after such date.

PART III—PROMOTING ENTREPRENEURSHIP

SEC. 2031. INCREASE IN AMOUNT ALLOWED AS DEDUCTION FOR START-UP EXPENDITURES IN 2010.

(a) START-UP EXPENDITURES.—Subsection (b) of section 195 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR TAXABLE YEARS BEGINNING IN 2010.—In the case of a taxable year beginning in 2010, paragraph (1)(A)(ii) shall be applied—

''(A) by substituting '$10,000' for '$5,000', and

''(B) by substituting '$60,000' for '$50,000'.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2009.

SEC. 2032. AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES TRADE REPRESENTATIVE TO DEVELOP MARKET ACCESS OPPORTUNITIES FOR UNITED STATES SMALL- AND MEDIUM-SIZED BUSINESSES AND TO ENFORCE TRADE AGREEMENTS.

(a) IN GENERAL.—There are authorized to be appropriated to the Office of the United States Trade Representative $5,230,000, to remain available until expended, for—

(1) analyzing and developing opportunities for businesses in the United States to access the markets of foreign countries; and

(2) enforcing trade agreements to which the United States is a party.

(b) REQUIREMENTS.—In obligating and expending the funds authorized to be appropriated under subsection (a), the United States Trade Representative shall—

(1) give preference to those initiatives that the United States Trade Representative determines will create or sustain the greatest number of jobs in the United States or result in the greatest benefit to the economy of the United States; and

(2) consider the needs of small- and medium-sized businesses in the United States with respect to—

(A) accessing the markets of foreign countries; and

(B) the enforcement of trade agreements to which the United States is a party.

PART IV—PROMOTING SMALL BUSINESS FAIRNESS

SEC. 2041. LIMITATION ON PENALTY FOR FAILURE TO DISCLOSE REPORTABLE TRANSACTIONS BASED ON RESULTING TAX BENEFITS.

(a) IN GENERAL.—Subsection (b) of section 6707A of the Internal Revenue Code of 1986 is amended to read as follows:

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the amount of the penalty under subsection (a) with respect to any reportable transaction shall be 75 percent of the decrease in tax shown on the return as a result of such transaction (or which would have resulted from such transaction if such transaction were respected for Federal tax purposes).

''(2) MAXIMUM PENALTY.—The amount of the penalty under subsection (a) with respect to any reportable transaction shall not exceed—

''(A) in the case of a listed transaction, $200,000 ($100,000 in the case of a natural person), or

''(B) in the case of any other reportable transaction, $50,000 ($10,000 in the case of a natural person).

''(3) MINIMUM PENALTY.—The amount of the penalty under subsection (a) with respect to any transaction shall not be less than $10,000 ($5,000 in the case of a natural person).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to penalties assessed after December 31, 2006.

SEC. 2042. DEDUCTION FOR HEALTH INSURANCE COSTS IN COMPUTING SELF-EMPLOYMENT TAXES IN 2010.

(a) IN GENERAL.—Paragraph (4) of section 162(l) of the Internal Revenue Code of 1986 is amended by inserting ''for taxable years beginning before January 1, 2010, or after December 31, 2010'' before the period.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

Subtitle B—Revenue Provisions

PART I—REDUCING THE TAX GAP

SEC. 2101. INFORMATION REPORTING FOR RENTAL PROPERTY EXPENSE PAYMENTS.

(a) IN GENERAL.—Section 6041 of the Internal Revenue Code of 1986, as amended by section 9006 of the Patient Protection and Affordable Care Act, is amended by redesignating subsections (h) and (i) as subsections (i) and (j), respectively, and by inserting after subsection (g) the following new subsection:

''(h) TREATMENT OF RENTAL PROPERTY EXPENSE PAYMENTS.—

''(1) IN GENERAL.—Solely for purposes of subsection (a) and except as provided in paragraph (2), a person receiving rental income from real estate shall be considered to be engaged in a trade or business of renting property.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to—

''(A) any individual, including any individual who is an active member of the uniformed services or an employee of the intelligence community (as defined in section 121(d)(9)(C)(iv)), if substantially all rental income is derived from renting the principal residence (within the meaning of section 121) of such individual on a temporary basis,

''(B) any individual who receives rental income of not more than the minimal amount, as determined under regulations prescribed by the Secretary, and

''(C) any other individual for whom the requirements of this section would cause hardship, as determined under regulations prescribed by the Secretary.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to payments made after December 31, 2010.

SEC. 2102. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Subsections (a)(1), (b)(1)(A), and (b)(2)(A) of section 6721 of the Internal Revenue Code of 1986 are each amended by striking ''$50'' and inserting ''$100''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (a)(1), (d)(1)(A), and (e)(3)(A) of section 6721 of such Code are each amended by striking ''$250,000'' and inserting ''$1,500,000''.

(b) REDUCTION WHERE CORRECTION WITHIN 30 DAYS.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(1) of the Internal Revenue Code of 1986 is amended by striking ''$15'' and inserting ''$30''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(1)(B) and (d)(1)(B) of section 6721 of such Code are each amended by striking ''$75,000'' and inserting ''$250,000''.

(c) REDUCTION WHERE CORRECTION ON OR BEFORE AUGUST 1.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(2) of the Internal Revenue Code of 1986 is amended by striking ''$30'' and inserting ''$60''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(2)(B) and (d)(1)(C) of section 6721 of such Code are each amended by striking ''$150,000'' and inserting ''$500,000''.

(d) AGGREGATE ANNUAL LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—

(1) IN GENERAL.—Paragraph (1) of section 6721(d) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''$100,000'' in subparagraph (A) and inserting ''$500,000'',

(B) by striking ''$25,000'' in subparagraph (B) and inserting ''$75,000'', and

(C) by striking ''$50,000'' in subparagraph (C) and inserting ''$200,000''.

(2) TECHNICAL AMENDMENT.—Paragraph (1) of section 6721(d) of such Code is amended by striking ''such taxable year'' and inserting ''such calendar year''.

(e) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (2) of section 6721(e) of the Internal Revenue Code of 1986 is amended by striking ''$100'' and inserting ''$250''.

(f) ADJUSTMENT FOR INFLATION.—Section 6721 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(f) ADJUSTMENT FOR INFLATION.—

''(1) IN GENERAL.—For each fifth calendar year beginning after 2012, each of the dollar amounts under subsections (a), (b), (d) (other than paragraph (2)(A) thereof), and (e) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting 'calendar year 2011' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount adjusted under paragraph (1)—

''(A) is not less than $75,000 and is not a multiple of $500, such amount shall be rounded to the next lowest multiple of $500, and

''(B) is not described in subparagraph (A) and is not a multiple of $10, such amount shall be rounded to the next lowest multiple of $10.''.

(g) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—Section 6722 of the Internal Revenue Code of 1986 is amended to read as follows:

''SEC. 6722. FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.

''(a) IMPOSITION OF PENALTY.—

''(1) GENERAL RULE.—In the case of each failure described in paragraph (2) by any person with respect to a payee statement, such person shall pay a penalty of $100 for each statement with respect to which such a failure occurs, but the total amount imposed on such person for all such failures during any calendar year shall not exceed $1,500,000.

''(2) FAILURES SUBJECT TO PENALTY.—For purposes of paragraph (1), the failures described in this paragraph are—

''(A) any failure to furnish a payee statement on or before the date prescribed therefor to the person to whom such statement is required to be furnished, and

''(B) any failure to include all of the information required to be shown on a payee statement or the inclusion of incorrect information.

''(b) REDUCTION WHERE CORRECTION IN SPECIFIED PERIOD.—

''(1) CORRECTION WITHIN 30 DAYS.—If any failure described in subsection (a)(2) is corrected on or before the day 30 days after the required filing date—

''(A) the penalty imposed by subsection (a) shall be $30 in lieu of $100, and

''(B) the total amount imposed on the person for all such failures during any calendar year which are so corrected shall not exceed $250,000.

''(2) FAILURES CORRECTED ON OR BEFORE AUGUST 1.—If any failure described in subsection (a)(2) is corrected after the 30th day referred to in paragraph (1) but on or before August 1 of the calendar year in which the required filing date occurs—

''(A) the penalty imposed by subsection (a) shall be $60 in lieu of $100, and

''(B) the total amount imposed on the person for all such failures during the calendar year which are so corrected shall not exceed $500,000.

''(c) EXCEPTION FOR DE MINIMIS FAILURES.—

''(1) IN GENERAL.—If—

''(A) a payee statement is furnished to the person to whom such statement is required to be furnished,

''(B) there is a failure described in subsection (a)(2)(B) (determined after the application of section 6724(a)) with respect to such statement, and

''(C) such failure is corrected on or before August 1 of the calendar year in which the required filing date occurs,

for purposes of this section, such statement shall be treated as having been furnished with all of the correct required information.

''(2) LIMITATION.—The number of payee statements to which paragraph (1) applies for any calendar year shall not exceed the greater of—

''(A) 10, or

''(B) one-half of 1 percent of the total number of payee statements required to be filed by the person during the calendar year.

''(d) LOWER LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—

''(1) IN GENERAL.—If any person meets the gross receipts test of paragraph (2) with respect to any calendar year, with respect to failures during such calendar year—

''(A) subsection (a)(1) shall be applied by substituting '$500,000' for '$1,500,000',

''(B) subsection (b)(1)(B) shall be applied by substituting '$75,000' for '$250,000', and

''(C) subsection (b)(2)(B) shall be applied by substituting '$200,000' for '$500,000'.

''(2) GROSS RECEIPTS TEST.—A person meets the gross receipts test of this paragraph if such person meets the gross receipts test of section 6721(d)(2).

''(e) PENALTY IN CASE OF INTENTIONAL DISREGARD.—If 1 or more failures to which subsection (a) applies are due to intentional disregard of the requirement to furnish a payee statement (or the correct information reporting requirement), then, with respect to each such failure—

''(1) subsections (b), (c), and (d) shall not apply,

''(2) the penalty imposed under subsection (a)(1) shall be $250, or, if greater—

''(A) in the case of a payee statement other than a statement required under section 6045(b), 6041A(e) (in respect of a return required under section 6041A(b)), 6050H(d), 6050J(e), 6050K(b), or 6050L(c), 10 percent of the aggregate amount of the items required to be reported correctly, or

''(B) in the case of a payee statement required under section 6045(b), 6050K(b), or 6050L(c), 5 percent of the aggregate amount of the items required to be reported correctly, and

''(3) in the case of any penalty determined under paragraph (2)—

''(A) the $1,500,000 limitation under subsection (a) shall not apply, and

''(B) such penalty shall not be taken into account in applying such limitation to penalties not determined under paragraph (2).

''(f) ADJUSTMENT FOR INFLATION.—

''(1) IN GENERAL.—For each fifth calendar year beginning after 2012, each of the dollar amounts under subsections (a), (b), (d)(1), and (e) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting 'calendar year 2011' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount adjusted under paragraph (1)—

''(A) is not less than $75,000 and is not a multiple of $500, such amount shall be rounded to the next lowest multiple of $500, and

''(B) is not described in subparagraph (A) and is not a multiple of $10, such amount shall be rounded to the next lowest multiple of $10.''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2011.

SEC. 2103. REPORT ON TAX SHELTER PENALTIES AND CERTAIN OTHER ENFORCEMENT ACTIONS.

(a) IN GENERAL.—The Commissioner of Internal Revenue, in consultation with the Secretary of the Treasury, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate an annual report on the penalties assessed by the Internal Revenue Service during the preceding year under each of the following provisions of the Internal Revenue Code of 1986:

(1) Section 6662A (relating to accuracy-related penalty on understatements with respect to reportable transactions).

(2) Section 6700(a) (relating to promoting abusive tax shelters).

(3) Section 6707 (relating to failure to furnish information regarding reportable transactions).

(4) Section 6707A (relating to failure to include reportable transaction information with return).

(5) Section 6708 (relating to failure to maintain lists of advisees with respect to reportable transactions).

(b) ADDITIONAL INFORMATION.—The report required under subsection (a) shall also include information on the following with respect to each year:

(1) Any action taken under section 330(b) of title 31, United States Code, with respect to any reportable transaction (as defined in section 6707A(c) of the Internal Revenue Code of 1986).

(2) Any extension of the time for assessment of tax enforced, or assessment of any amount under such an extension, under paragraph (10) of section 6501(c) of the Internal Revenue Code of 1986.

(c) DATE OF REPORT.—The first report required under subsection (a) shall be submitted not later than December 31, 2010.

SEC. 2104. APPLICATION OF LEVY TO PAYMENTS TO FEDERAL VENDORS RELATING TO PROPERTY.

(a) IN GENERAL.—Section 6331(h)(3) of the Internal Revenue Code of 1986 is amended by striking ''goods or services'' and inserting ''property, goods, or services''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to levies issued after the date of the enactment of this Act.

SEC. 2105. APPLICATION OF CONTINUOUS LEVY TO TAX LIABILITIES OF CERTAIN FEDERAL CONTRACTORS.

(a) IN GENERAL.—Subsection (f) of section 6330 of the Internal Revenue Code of 1986 is amended by striking ''or'' at the end of paragraph (2), by inserting ''or'' at the end of paragraph (3), and by inserting after paragraph (3) the following new paragraph:

''(4) the Secretary has served a Federal contractor levy,''.

(b) FEDERAL CONTRACTOR LEVY.—Subsection (h) of section 6330 of the Internal Revenue Code of 1986 is amended—

(1) by striking all that precedes ''any levy in connection with the collection'' and inserting the following:

''(h) DEFINITIONS RELATED TO EXCEPTIONS.—For purposes of subsection (f)—

''(1) DISQUALIFIED EMPLOYMENT TAX LEVY.—A disqualified employment tax levy is''; and

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

''(2) FEDERAL CONTRACTOR LEVY.—A Federal contractor levy is any levy if the person whose property is subject to the levy (or any predecessor thereof) is a Federal contractor.''.

(c) CONFORMING AMENDMENT.—The heading of subsection (f) of section 6330 of the Internal Revenue Code of 1986 is amended by striking ''JEOPARDY AND STATE REFUND COLLECTION'' and inserting ''EXCEPTIONS''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to levies issued after the date of the enactment of this Act.

SEC. 2106. APPLICATION OF BAD CHECKS PENALTY TO ELECTRONIC PAYMENTS.

(a) IN GENERAL.—Section 6657 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''If any check or money order in payment of any amount'' and inserting ''If any instrument in payment, by any commercially acceptable means, of any amount'', and

(2) by striking ''such check'' each place it appears and inserting ''such instrument''.

(b) EFFECTIVE DATES.—The amendments made by this section shall apply to instruments tendered after the date of the enactment of this Act.

PART II—PROMOTING RETIREMENT PREPARATION

SEC. 2111. PARTICIPANTS IN GOVERNMENT SECTION 457 PLANS ALLOWED TO TREAT ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

(a) IN GENERAL.—Section 402A(e)(1) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following:

''(C) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(b) ELECTIVE DEFERRALS.—Section 402A(e)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means—

''(A) any elective deferral described in subparagraph (A) or (C) of section 402(g)(3), and

''(B) any elective deferral of compensation by an individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 2112. ROLLOVERS FROM ELECTIVE DEFERRAL PLANS TO DESIGNATED ROTH ACCOUNTS.

(a) IN GENERAL.—Section 402A(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) TAXABLE ROLLOVERS TO DESIGNATED ROTH ACCOUNTS.—

''(A) IN GENERAL.—Notwithstanding sections 402(c), 403(b)(8), and 457(e)(16), in the case of any distribution to which this paragraph applies—

''(i) there shall be included in gross income any amount which would be includible were it not part of a qualified rollover contribution,

''(ii) section 72(t) shall not apply, and

''(iii) unless the taxpayer elects not to have this clause apply, any amount required to be included in gross income for any taxable year beginning in 2010 by reason of this paragraph shall be so included ratably over the 2-taxable-year period beginning with the first taxable year beginning in 2011.

Any election under clause (iii) for any distributions during a taxable year may not be changed after the due date for such taxable year.

''(B) DISTRIBUTIONS TO WHICH PARAGRAPH APPLIES.—In the case of an applicable retirement plan which includes a qualified Roth contribution program, this paragraph shall apply to a distribution from such plan other than from a designated Roth account which is contributed in a qualified rollover contribution (within the meaning of section 408A(e)) to the designated Roth account maintained under such plan for the benefit of the individual to whom the distribution is made.

''(C) COORDINATION WITH LIMIT.—Any distribution to which this paragraph applies shall not be taken into account for purposes of paragraph (1).

''(D) OTHER RULES.—The rules of subparagraphs (D), (E), and (F) of section 408A(d)(3) (as in effect for taxable years beginning after 2009) shall apply for purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after the date of the enactment of this Act.

PART III—CLOSING UNINTENDED LOOPHOLES

SEC. 2121. CRUDE TALL OIL INELIGIBLE FOR CELLULOSIC BIOFUEL PRODUCER CREDIT.

(a) IN GENERAL.—Clause (iii) of section 40(b)(6)(E) of the Internal Revenue Code of 1986, as added by the Health Care and Education Reconciliation Act of 2010, is amended—

(1) by striking ''or'' at the end of subclause (I),

(2) by striking the period at the end of subclause (II) and inserting '', or'',

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

''(III) such fuel has an acid number greater than 25.'', and

(4) by striking ''UNPROCESSED'' in the heading and inserting ''CERTAIN''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fuels sold or used on or after January 1, 2010.

PART IV—TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES

SEC. 2131. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act in effect on the date of the enactment of this Act is increased by 36 percentage points.

TITLE III—SMALL BUSINESS LENDING

Subtitle A—Small Business Lending Fund

SEC. 3101. PURPOSE.

The purpose of this subtitle is to address the ongoing effects of the financial crisis on small businesses by providing temporary authority to the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses.

SEC. 3102. DEFINITIONS.

For purposes of this subtitle:

(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means—

(A) the Committee on Small Business and Entrepreneurship, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Budget, and the Committee on Appropriations of the Senate; and

(B) the Committee on Small Business, the Committee on Agriculture, the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives.

(2) APPROPRIATE FEDERAL BANKING AGENCY.—The term ''appropriate Federal banking agency'' has the meaning given such term under section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)).

(3) BANK HOLDING COMPANY.—The term ''bank holding company'' has the meaning given such term under section 2(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(2)(a)(1)).

(4) CALL REPORT.—The term ''call report'' means—

(A) reports of Condition and Income submitted to the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation;

(B) the Office of Thrift Supervision Thrift Financial Report;

(C) any report that is designated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the Office of Thrift Supervision, as applicable, as a successor to any report referred to in subparagraph (A) or (B);

(D) reports of Condition and Income as designated through guidance developed by the Secretary, in consultation with the Director of the Community Development Financial Institutions Fund; and

(E) with respect to an eligible institution for which no report exists that is described under subparagraph (A), (B), (C), or (D), such other report or set of information as the Secretary, in consultation with the Administrator of the Small Business Administration, may prescribe.

(5) CDCI.—The term ''CDCI'' means the Community Development Capital Initiative created by the Secretary under the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008.

(6) CDCI INVESTMENT.—The term ''CDCI investment'' means, with respect to any eligible institution, the principal amount of any investment made by the Secretary in such eligible institution under the CDCI that has not been repaid.

(7) CDFI; COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The terms ''CDFI'' and ''community development financial institution'' have the meaning given the term ''community development financial institution'' under the Riegle Community Development and Regulatory Improvement Act of 1994.

(8) CDLF; COMMUNITY DEVELOPMENT LOAN FUND.—The terms ''CDLF'' and ''community development loan fund'' mean any entity that—

(A) is certified by the Department of the Treasury as a community development financial institution loan fund;

(B) is exempt from taxation under the Internal Revenue Code of 1986; and

(C) had assets less than or equal to $10,000,000,000 as of the end of the fourth quarter of calendar year 2009.

(9) CPP.—The term ''CPP'' means the Capital Purchase Program created by the Secretary under the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008.

(10) CPP INVESTMENT.—The term ''CPP investment'' means, with respect to any eligible institution, the principal amount of any investment made by the Secretary in such eligible institution under the CPP that has not been repaid.

(11) ELIGIBLE INSTITUTION.—The term ''eligible institution'' means—

(A) any insured depository institution, which—

(i) is not controlled by a bank holding company or savings and loan holding company that is also an eligible institution;

(ii) has total assets of equal to or less than $10,000,000,000, as reported in the call report of the insured depository institution as of the end of the fourth quarter of calendar year 2009; and

(iii) is not directly or indirectly controlled by any company or other entity that has total consolidated assets of more than $10,000,000,000, as so reported;

(B) any bank holding company which has total consolidated assets of equal to or less than $10,000,000,000, as reported in the call report of the bank holding company as of the end of the fourth quarter of calendar year 2009;

(C) any savings and loan holding company which has total consolidated assets of equal to or less than $10,000,000,000, as reported in the call report of the savings and loan holding company as of the end of the fourth quarter of calendar year 2009; and

(D) any community development financial institution loan fund which has total assets of equal to or less than $10,000,000,000, as reported in audited financial statements for the fiscal year of the community development financial institution loan fund that ends in calendar year 2009.

(12) FUND.—The term ''Fund'' means the Small Business Lending Fund established under section 3103(a)(1).

(13) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution'' has the meaning given such term under section 3(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(2)).

(14) MINORITY-OWNED AND WOMEN-OWNED BUSINESS.—The terms ''minority-owned business'' and ''women-owned business'' shall have the meaning given the terms ''minority-owned business'' and ''women's business'', respectively, under section 21A(r)(4) of the Federal Home Loan Bank Act (12 U.S.C. 1441A(r)(4)).

(15) PROGRAM.—The term ''Program'' means the Small Business Lending Fund Program authorized under section 3103(a)(2).

(16) SAVINGS AND LOAN HOLDING COMPANY.—The term ''savings and loan holding company'' has the meaning given such term under section 10(a)(1)(D) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(1)(D)).

(17) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

(18) SMALL BUSINESS LENDING.—

(A) IN GENERAL.—The term ''small business lending'' means lending, as defined by and reported in an eligible institutions' quarterly call report, where each loan comprising such lending is one of the following types:

(i) Commercial and industrial loans.

(ii) Owner-occupied nonfarm, nonresidential real estate loans.

(iii) Loans to finance agricultural production and other loans to farmers.

(iv) Loans secured by farmland.

(B) EXCLUSION.—No loan that has an original amount greater than $10,000,000 or that goes to a business with more than $50,000,000 in revenues shall be included in the measure.

(C) TREATMENT OF HOLDING COMPANIES.—In the case of eligible institutions that are bank holding companies or savings and loan holding companies having one or more insured depository institution subsidiaries, small business lending shall be measured based on the combined small business lending reported in the call report of the insured depository institution subsidiaries.

(19) VETERAN-OWNED BUSINESS.—

(A) The term ''veteran-owned business'' means a business—

(i) more than 50 percent of the ownership or control of which is held by 1 or more veterans;

(ii) more than 50 percent of the net profit or loss of which accrues to 1 or more veterans; and

(iii) a significant percentage of senior management positions of which are held by veterans.

(B) For purposes of this paragraph, the term ''veteran'' has the meaning given such term in section 101(2) of title 38, United States Code.

SEC. 3103. SMALL BUSINESS LENDING FUND.

(a) FUND AND PROGRAM.—

(1) FUND ESTABLISHED.—There is established in the Treasury of the United States a fund to be known as the ''Small Business Lending Fund'', which shall be administered by the Secretary.

(2) PROGRAMS AUTHORIZED.—The Secretary is authorized to establish the Small Business Lending Fund Program for using the Fund consistent with this subtitle.

(b) USE OF FUND.—

(1) IN GENERAL.—Subject to paragraph (2), the Fund shall be available to the Secretary, without further appropriation or fiscal year limitation, for the costs of purchases (including commitments to purchase), and modifications of such purchases, of preferred

stock and other financial instruments from eligible institutions on such terms and conditions as are determined by the Secretary in accordance with this subtitle. For purposes of this paragraph and with respect to an eligible institution, the term ''other financial instruments'' shall include only debt instruments for which such eligible institution is fully liable or equity equivalent capital of the eligible institution. Such debt instruments may be subordinated to the claims of other creditors of the eligible institution.

(2) MAXIMUM PURCHASE LIMIT.—The aggregate amount of purchases (and commitments to purchase) made pursuant to paragraph (1) may not exceed $30,000,000,000.

(3) PROCEEDS USED TO PAY DOWN PUBLIC DEBT.—All funds received by the Secretary in connection with purchases made pursuant to paragraph (1), including interest payments, dividend payments, and proceeds from the sale of any financial instrument, shall be paid into the general fund of the Treasury for reduction of the public debt.

(4) LIMITATION ON PURCHASES FROM CDLFS.—

(A) IN GENERAL.—Not more than 1 percent of the maximum purchase limit of the Program, pursuant to paragraph (2), may be used to make purchases from community development loan funds.

(B) ELIGIBILITY STANDARDS.—The Secretary, in consultation with the Community Development Financial Institutions Fund, shall develop eligibility criteria to determine the financial ability of a CDLF to participate in the Program and repay the investment. Such criteria shall include the following:

(i) Ratio of net assets to total assets is at least 20 percent.

(ii) Ratio of loan loss reserves to loans and leases 90 days or more delinquent (including loans sold with full recourse) is at least 30 percent.

(iii) Positive net income measured on a 3-year rolling average.

(iv) Operating liquidity ratio of at least 1.0 for the 4 most recent quarters and for one or both of the two preceding years.

(v) Ratio of loans and leases 90 days or more delinquent (including loans sold with full recourse) to total equity plus loan loss reserves is less than 40 percent.

(C) REQUIREMENT TO SUBMIT AUDITED FINANCIAL STATEMENTS.—CDLFs participating in the Program shall submit audited financial statements to the Secretary, have a clean audit opinion, and have at least 3 years of operating experience.

(c) CREDITS TO THE FUND.—There shall be credited to the Fund amounts made available pursuant to section 3108, to the extent provided by appropriations Acts.

(d) TERMS.—

(1) APPLICATION.—

(A) INSTITUTIONS WITH ASSETS OF $1,000,000,000 OR LESS.—Eligible institutions having total assets equal to or less than $1,000,000,000, as reported in a call report as of the end of the fourth quarter of calendar year 2009, may apply to receive a capital investment from the Fund in an amount not exceeding 5 percent of risk-weighted assets, as reported in the call report immediately preceding the date of application, less the amount of any CDCI investment and any CPP investment.

(B) INSTITUTIONS WITH ASSETS OF MORE THAN $1,000,000,000 AND LESS THAN OR EQUAL TO $10,000,000,000.—Eligible institutions having total assets of more than $1,000,000,000 but less than $10,000,000,000, as of the end of the fourth quarter of calendar year 2009, may apply to receive a capital investment from the Fund in an amount not exceeding 3 percent of risk-weighted assets, as reported in the call report immediately preceding the date of application, less the amount of any CDCI investment and any CPP investment.

(C) TREATMENT OF HOLDING COMPANIES.—In the case of an eligible institution that is a bank holding company or a savings and loan holding company having one or more insured depository institution subsidiaries, total assets shall be measured based on the combined total assets reported in the call report of the insured depository institution subsidiaries as of the end of the fourth quarter of calendar year 2009 and risk-weighted assets shall be measured based on the combined risk-weighted assets of the insured depository institution subsidiaries as reported in the call report immediately preceding the date of application.

(D) TREATMENT OF APPLICANTS THAT ARE INSTITUTIONS CONTROLLED BY HOLDING COMPANIES.—If an eligible institution that applies to receive a capital investment under the Program is under the control of a bank holding company or a savings and loan holding company, then the Secretary may use the Fund to purchase preferred stock or other financial instruments from the top-tier bank holding company or savings and loan holding company of such eligible institution, as applicable. For purposes of this subparagraph, the term ''control'' with respect to a bank holding company shall have the same meaning as in section 2(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(2)(a)(2)). For purposes of this subparagraph, the term ''control'' with respect to a savings and loan holding company shall have the same meaning as in 10(a)(2) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(2)).

(E) REQUIREMENT TO PROVIDE A SMALL BUSINESS LENDING PLAN.—At the time that an applicant submits an application to the Secretary for a capital investment under the Program, the applicant shall deliver to the appropriate Federal banking agency, and, for applicants that are State-chartered banks, to the appropriate State banking regulator, a small business lending plan describing how the applicant's business strategy and operating goals will allow it to address the needs of small businesses in the areas it serves, as well as a plan to provide linguistically and culturally appropriate outreach, where appropriate. In the case of eligible institutions that are community development loan funds, this plan shall be submitted to the Secretary. This plan shall be confidential supervisory information.

(F) TREATMENT OF APPLICANTS THAT ARE COMMUNITY DEVELOPMENT LOAN FUNDS.—Eligible institutions that are community development loan funds may apply to receive a capital investment from the Fund in an amount not exceeding 5 percent of total assets, as reported in the audited financial statements for the fiscal year of the eligible institution that ends in calendar year 2009.

(2) CONSULTATION WITH REGULATORS.—For each eligible institution that applies to receive a capital investment under the Program, the Secretary shall—

(A) consult with the appropriate Federal banking agency or, in the case of an eligible institution that is a non-depository community development financial institution, the Community Development Financial Institution Fund, for the eligible institution to determine whether the eligible institution may receive such capital investment;

(B) in the case of an eligible institution that is a State-chartered bank, consider any views received from the State banking regulator of the State of the eligible institution regarding the financial condition of the eligible institution; and

(C) in the case of a community development financial institution loan fund, consult with the Community Development Financial Institution Fund.

(3) INELIGIBILITY OF INSTITUTIONS ON FDIC PROBLEM BANK LIST.—

(A) IN GENERAL.—An eligible institution may not receive any capital investment under the Program if—

(i) such institution is on the FDIC problem bank list; or

(ii) such institution has been removed from the FDIC problem bank list for less than 90 days.

(B) CONSTRUCTION.—Nothing in subparagraph (A) shall be construed as limiting the discretion of the Secretary to deny the application of an eligible institution that is not on the FDIC problem bank list.

(C) FDIC PROBLEM BANK LIST DEFINED.—For purposes of this subparagraph, the term ''FDIC problem bank list'' means the list of institutions with a current rating of 4 or 5 under the Uniform Financial Institutions Rating System, or such other list designated by the Federal Deposit Insurance Corporation.

(4) INCENTIVES TO LEND.—

(A) REQUIREMENTS ON PREFERRED STOCK AND OTHER FINANCIAL INSTRUMENTS.—Any preferred stock or other financial instrument issued to Treasury by an eligible institution receiving a capital investment under the Program shall provide that—

(i) the rate at which dividends or interest are payable shall be 5 percent per annum initially;

(ii) within the first 2 years after the date of the capital investment under the Program, the rate may be adjusted based on the amount of an eligible institution's small business lending. Changes in the amount of small business lending shall be measured against the average amount of small business lending reported by the eligible institution in its call reports for the 4 full quarters immediately preceding the date of enactment of this Act, minus adjustments from each quarterly balance in respect of—

(I) net loan charge offs with respect to small business lending; and

(II) gains realized by the eligible institution resulting from mergers, acquisitions or purchases of loans after origination and syndication; which adjustments shall be determined in accordance with guidance promulgated by the Secretary; and

(iii) during any calendar quarter during the initial 2-year period referred to in clause (ii), an institution's rate shall be adjusted to reflect the following schedule, based on that institution's change in the amount of small business lending relative to the baseline—

(I) if the amount of small business lending has increased by less than 2.5 percent, the dividend or interest rate shall be 5 percent;

(II) if the amount of small business lending has increased by 2.5 percent or greater, but by less than 5.0 percent, the dividend or interest rate shall be 4 percent;

(III) if the amount of small business lending has increased by 5.0 percent or greater, but by less than 7.5 percent, the dividend or interest rate shall be 3 percent;

(IV) if the amount of small business lending has increased by 7.5 percent or greater, and but by less than 10.0 percent, the dividend or interest rate shall be 2 percent; or

(V) if the amount of small business lending has increased by 10 percent or greater, the dividend or interest rate shall be 1 percent.

(B) BASIS OF INITIAL RATE.—The initial dividend or interest rate shall be based on call report data published in the quarter immediately preceding the date of the capital investment under the Program.

(C) TIMING OF RATE ADJUSTMENTS.—Any rate adjustment shall occur in the calendar quarter following the publication of call report data, such that the rate based on call report data from any one calendar quarter,

which is published in the first following calendar quarter, shall be adjusted in that first following calendar quarter and payable in the second following quarter.

(D) RATE FOLLOWING INITIAL 2-YEAR PERIOD.—Generally, the rate based on call report data from the eighth calendar quarter after the date of the capital investment under the Program shall be payable until the expiration of the 4½-year period that begins on the date of the investment. In the case where the amount of small business lending has remained the same or decreased relative to the institution's baseline in the eighth quarter after the date of the capital investment under the Program, the rate shall be 7 percent until the expiration of the 4½-year period that begins on the date of the investment.

(E) RATE FOLLOWING INITIAL 4½ -YEAR PERIOD.—The dividend or interest rate paid on any preferred stock or other financial instrument issued by an eligible institution that receives a capital investment under the Program shall increase to 9 percent at the end of the 4½-year period that begins on the date of the capital investment under the Program.

(F) LIMITATION ON RATE REDUCTIONS WITH RESPECT TO CERTAIN AMOUNT.—The reduction in the dividend or interest rate payable to Treasury by any eligible institution shall be limited such that the rate reduction shall not apply to a dollar amount of the investment made by Treasury that is greater than the dollar amount increase in the amount of small business lending realized under this program. The Secretary may issue guidelines that will apply to new capital investments limiting the amount of capital available to eligible institutions consistent with this limitation.

(G) RATE ADJUSTMENTS FOR S CORPORATION.—Before making a capital investment in an eligible institution that is an S corporation or a corporation organized on a mutual basis, the Secretary may adjust the dividend or interest rate on the financial instrument to be issued to the Secretary, from the dividend or interest rate that would apply under subparagraphs (A) through (F), to take into account any differential tax treatment of securities issued by such eligible institution. For purpose of this subparagraph, the term ''S corporation'' has the same meaning as in section 1361(a) of the Internal Revenue Code of 1986.

(H) REPAYMENT DEADLINE.—The capital investment received by an eligible institution under the Program shall be evidenced by preferred stock or other financial instrument that—

(i) includes, as a term and condition, that the capital investment will—

(I) be repaid not later than the end of the 10-year period beginning on the date of the capital investment under the Program; or

(II) at the end of such 10-year period, be subject to such additional terms as the Secretary shall prescribe, which shall include a requirement that the stock or instrument shall carry the highest dividend or interest rate payable; and

(ii) provides that the term and condition described under clause (i) shall not apply if the application of that term and condition would adversely affect the capital treatment of the stock or financial instrument under current or successor applicable capital provisions compared to a capital instrument with identical terms other than the term and condition described under clause (i).

(I) REQUIREMENTS ON FINANCIAL INSTRUMENTS ISSUED BY A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION LOAN FUND.—Any equity equivalent capital issued to the Treasury by a community development loan fund receiving a capital investment under the Program shall provide that the rate at which interest is payable shall be 2 percent per annum for 8 years. After 8 years, the rate at which interest is payable shall be 9 percent.

(5) ADDITIONAL INCENTIVES TO REPAY.—The Secretary may, by regulation or guidance issued under section 3104(9), establish repayment incentives in addition to the incentive in paragraph (4)(E) that will apply to new capital investments in a manner that the Secretary determines to be consistent with the purposes of this subtitle.

(6) CAPITAL PURCHASE PROGRAM REFINANCE.—

(A) IN GENERAL.—The Secretary shall, in a manner that the Secretary determines to be consistent with the purposes of this subtitle, issue regulations and other guidance to permit eligible institutions to refinance securities issued to Treasury under the CDCI and the CPP for securities to be issued under the Program.

(B) PROHIBITION ON PARTICIPATION BY NONPAYING CPP PARTICIPANTS.—Subparagraph (A) shall not apply to any eligible institution that has missed more than one dividend payment due under the CPP. For purposes of this subparagraph, a CPP dividend payment that is submitted within 60 days of the due date of such payment shall not be considered a missed dividend payment.

(7) OUTREACH TO MINORITIES, WOMEN, AND VETERANS.—The Secretary shall require eligible institutions receiving capital investments under the Program to provide linguistically and culturally appropriate outreach and advertising in the applicant pool describing the availability and application process of receiving loans from the eligible institution that are made possible by the Program through the use of print, radio, television or electronic media outlets which target organizations, trade associations, and individuals that—

(A) represent or work within or are members of minority communities;

(B) represent or work with or are women; and

(C) represent or work with or are veterans.

(8) ADDITIONAL TERMS.—The Secretary may, by regulation or guidance issued under section 3104(9), make modifications that will apply to new capital investments in order to manage risks associated with the administration of the Fund in a manner consistent with the purposes of this subtitle.

(9) MINIMUM UNDERWRITING STANDARDS.—The appropriate Federal banking agency for an eligible institution that receives funds under the Program shall within 60 days issue guidance regarding prudent underwriting standards that must be used for loans made by the eligible institution using such funds..

SEC. 3104. ADDITIONAL AUTHORITIES OF THE SECRETARY.

The Secretary may take such actions as the Secretary deems necessary to carry out the authorities in this subtitle, including, without limitation, the following:

(1) The Secretary may use the services of any agency or instrumentality of the United States or component thereof on a reimbursable basis, and any such agency or instrumentality or component thereof is authorized to provide services as requested by the Secretary using all authorities vested in or delegated to that agency, instrumentality, or component.

(2) The Secretary may enter into contracts, including contracts for services authorized by section 3109 of title 5, United States Code.

(3) The Secretary may designate any bank, savings association, trust company, security broker or dealer, asset manager, or investment adviser as a financial agent of the Federal Government and such institution shall perform all such reasonable duties related to this subtitle as financial agent of the Federal Government as may be required. The Secretary shall have authority to amend existing agreements with financial agents, entered into during the 2-year period before the date of enactment of this Act, to perform reasonable duties related to this subtitle.

(4) The Secretary may exercise any rights received in connection with any preferred stock or other financial instruments or assets purchased or acquired pursuant to the authorities granted under this subtitle.

(5) Subject to section 3103(b)(3), the Secretary may manage any assets purchased under this subtitle, including revenues and portfolio risks therefrom.

(6) The Secretary may sell, dispose of, transfer, exchange or enter into securities loans, repurchase transactions, or other financial transactions in regard to, any preferred stock or other financial instrument or asset purchased or acquired under this subtitle, upon terms and conditions and at a price determined by the Secretary.

(7) The Secretary may manage or prohibit conflicts of interest that may arise in connection with the administration and execution of the authorities provided under this subtitle.

(8) The Secretary may establish and use vehicles, subject to supervision by the Secretary, to purchase, hold, and sell preferred stock or other financial instruments and issue obligations.

(9) The Secretary may, in consultation with the Administrator of the Small Business Administration, issue such regulations and other guidance as may be necessary or appropriate to define terms or carry out the authorities or purposes of this subtitle.

SEC. 3105. CONSIDERATIONS.

In exercising the authorities granted in this subtitle, the Secretary shall take into consideration—

(1) increasing the availability of credit for small businesses;

(2) providing funding to minority-owned eligible institutions and other eligible institutions that serve small businesses that are minority-, veteran-, and women-owned and that also serve low- and moderate-income, minority, and other underserved or rural communities;

(3) protecting and increasing American jobs;

(4) increasing the opportunity for small business development in areas with high unemployment rates that exceed the national average;

(5) ensuring that all eligible institutions may apply to participate in the program established under this subtitle, without discrimination based on geography;

(6) providing transparency with respect to use of funds provided under this subtitle;

(7) minimizing the cost to taxpayers of exercising the authorities;

(8) promoting and engaging in financial education to would-be borrowers; and

(9) providing funding to eligible institutions that serve small businesses directly affected by the discharge of oil arising from the explosion on and sinking of the mobile offshore drilling unit Deepwater Horizon and small businesses in communities that have suffered negative economic effects as a result of that discharge with particular consideration to States along the coast of the Gulf of Mexico.

SEC. 3106. REPORTS.

The Secretary shall provide to the appropriate committees of Congress—

(1) within 7 days of the end of each month commencing with the first month in which transactions are made under the Program, a written report describing all of the transactions made during the reporting period pursuant to the authorities granted under this subtitle;

(2) after the end of March and the end of September, commencing September 30, 2010, a written report on all projected costs and liabilities, all operating expenses, including compensation for financial agents, and all transactions made by the Fund, which shall include participating institutions and amounts each institution has received under the Program; and

(3) within 7 days of the end of each calendar quarter commencing with the first calendar quarter in which transactions are made under the Program, a written report detailing how eligible institutions participating in the Program have used the funds such institutions received under the Program.

SEC. 3107. OVERSIGHT AND AUDITS.

(a) INSPECTOR GENERAL OVERSIGHT.—The Inspector General of the Department of the Treasury shall conduct, supervise, and coordinate audits and investigations of the Program through the Office of Small Business Lending Fund Program Oversight established under subsection (b).

(b) OFFICE OF SMALL BUSINESS LENDING FUND PROGRAM OVERSIGHT.—

(1) ESTABLISHMENT.—There is hereby established within the Office of the Inspector General of the Department of the Treasury a new office to be named the ''Office of Small Business Lending Fund Program Oversight'' to provide oversight of the Program.

(2) LEADERSHIP.—The Inspector General shall appoint a Special Deputy Inspector General for SBLF Program Oversight to lead the Office, with commensurate staff, who shall report directly to the Inspector General and who shall be responsible for the performance of all auditing and investigative activities relating to the Program.

(3) REPORTING.—

(A) IN GENERAL.—The Inspector General shall issue a report no less than two times a year to the Congress and the Secretary devoted to the oversight provided by the Office, including any recommendations for improvements to the Program.

(B) RECOMMENDATIONS.—With respect to any deficiencies identified in a report under subparagraph (A), the Secretary shall either—

(i) take actions to address such deficiencies; or

(ii) certify to the appropriate committees of Congress that no action is necessary or appropriate.

(4) COORDINATION.—The Inspector General, in maximizing the effectiveness of the Office, shall work with other Offices of Inspector General, as appropriate, to minimize duplication of effort and ensure comprehensive oversight of the Program.

(5) TERMINATION.—The Office shall terminate at the end of the 6-month period beginning on the date on which all capital investments are repaid under the Program or the date on which the Secretary determines that any remaining capital investments will not be repaid.

(6) DEFINITIONS.—For purposes of this subsection:

(A) OFFICE.—The term ''Office'' means the Office of Small Business Lending Fund Program Oversight established under paragraph (1).

(B) INSPECTOR GENERAL.—The term ''Inspector General'' means the Inspector General of the Department of the Treasury.

(c) GAO AUDIT.—The Comptroller General of the United States shall perform an annual audit of the Program and issue a report to the appropriate committees of Congress containing the results of such audit.

(d) REQUIRED CERTIFICATIONS.—

(1) ELIGIBLE INSTITUTION CERTIFICATION.—Each eligible institution that participates in the Program must certify that such institution is in compliance with the requirements of section 103.121 of title 31, Code of Federal Regulations, a regulation that, at a minimum, requires financial institutions, as that term is defined in 31 U.S.C. 5312(a)(2) and (c)(1)(A), to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify the person's identity, and determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency.

(2) LOAN RECIPIENTS.—With respect to funds received by an eligible institution under the Program, any business receiving a loan from the eligible institution using such funds after the date of the enactment of this Act shall certify to such eligible institution that the principals of such business have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

(e) PROHIBITION ON PORNOGRAPHY.—None of the funds made available under this subtitle may be used to pay the salary of any individual engaged in activities related to the Program who has been officially disciplined for violations of subpart G of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including child pornography, on a Federal Government computer or while performing official Federal Government duties.

SEC. 3108. CREDIT REFORM; FUNDING.

(a) CREDIT REFORM.—The cost of purchases of preferred stock and other financial instruments made as capital investments under this subtitle shall be determined as provided under the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

(b) FUNDS MADE AVAILABLE.—There are hereby appropriated, out of funds in the Treasury not otherwise appropriated, such sums as may be necessary to pay the costs of $30,000,000,000 of capital investments in eligible institutions, including the costs of modifying such investments, and reasonable costs of administering the program of making, holding, managing, and selling the capital investments.

SEC. 3109. TERMINATION AND CONTINUATION OF AUTHORITIES.

(a) TERMINATION OF INVESTMENT AUTHORITY.—The authority to make capital investments in eligible institutions, including commitments to purchase preferred stock or other instruments, provided under this subtitle shall terminate 1 year after the date of enactment of this Act.

(b) CONTINUATION OF OTHER AUTHORITIES.—The authorities of the Secretary under section 3104 shall not be limited by the termination date in subsection (a).

SEC. 3110. PRESERVATION OF AUTHORITY.

Nothing in this subtitle may be construed to limit the authority of the Secretary under any other provision of law.

SEC. 3111. ASSURANCES.

(a) SMALL BUSINESS LENDING FUND SEPARATE FROM TARP.—The Small Business Lending Fund Program is established as separate and distinct from the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008. An institution shall not, by virtue of a capital investment under the Small Business Lending Fund Program, be considered a recipient of the Troubled Asset Relief Program.

(b) CHANGE IN LAW.—If, after a capital investment has been made in an eligible institution under the Program, there is a change in law that modifies the terms of the investment or program in a materially adverse respect for the eligible institution, the eligible institution may, after consultation with the appropriate Federal banking agency for the eligible institution, repay the investment without impediment.

SEC. 3112. STUDY AND REPORT WITH RESPECT TO WOMEN-OWNED, VETERAN-OWNED, AND MINORITY-OWNED BUSINESSES.

(a) STUDY.—The Secretary shall conduct a study of the impact of the Program on women-owned businesses, veteran-owned businesses, and minority-owned businesses.

(b) REPORT.—Not later than one year after the date of enactment of this Act, the Secretary shall submit to Congress a report on the results of the study conducted pursuant to subsection (a). To the extent possible, the Secretary shall disaggregate the results of such study by ethnic group and gender.

(c) INFORMATION PROVIDED TO THE SECRETARY.—Eligible institutions that participate in the Program shall provide the Secretary with such information as the Secretary may require to carry out the study required by this section.

SEC. 3113. SENSE OF CONGRESS.

It is the sense of Congress that the Federal Deposit Insurance Corporation and other bank regulators are sending mixed messages to banks regarding regulatory capital requirements and lending standards, which is a contributing cause of decreased small business lending and increased regulatory uncertainty at community banks.

Subtitle B—State Small Business Credit Initiative

SEC. 3201. SHORT TITLE.

This subtitle may be cited as the ''State Small Business Credit Initiative Act of 2010''.

SEC. 3202. DEFINITIONS.

In this subtitle, the following definitions shall apply:

(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means—

(A) the Committee on Small Business and Entrepreneurship, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Budget, and the Committee on Appropriations of the Senate; and

(B) the Committee on Small Business, the Committee on Agriculture, the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives.

(2) APPROPRIATE FEDERAL BANKING AGENCY.—The term ''appropriate Federal banking agency''—

(A) has the same meaning as in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)); and

(B) includes the National Credit Union Administration Board in the case of any credit union the deposits of which are insured in accordance with the Federal Credit Union Act.

(3) ENROLLED LOAN.—The term ''enrolled loan'' means a loan made by a financial institution lender that is enrolled by a participating State in an approved State capital access program in accordance with this subtitle.

(4) FEDERAL CONTRIBUTION.—The term ''Federal contribution'' means the portion of the contribution made by a participating State to, or for the account of, an approved State program that is made with Federal funds allocated to the State by the Secretary under section 3203.

(5) FINANCIAL INSTITUTION.—The term ''financial institution'' means any insured depository institution, insured credit union, or

community development financial institution, as those terms are each defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702)

(6) PARTICIPATING STATE.—The term ''participating State'' means any State that has been approved for participation in the Program under section 3204.

(7) PROGRAM.—The term ''Program'' means the State Small Business Credit Initiative established under this subtitle.

(8) QUALIFYING LOAN OR SWAP FUNDING FACILITY.—The term ''qualifying loan or swap funding facility'' means a contractual arrangement between a participating State and a private financial entity under which—

(A) the participating State delivers funds to the entity as collateral;

(B) the entity provides funding from the arrangement back to the participating State; and

(C) the full amount of resulting funding from the arrangement, less any fees and other costs of the arrangement, is contributed to, or for the account of, an approved State program.

(9) RESERVE FUND.—The term ''reserve fund'' means a fund, established by a participating State, dedicated to a particular financial institution lender, for the purposes of—

(A) depositing all required premium charges paid by the financial institution lender and by each borrower receiving a loan under an approved State program from that financial institution lender;

(B) depositing contributions made by the participating State, including State contributions made with Federal contributions; and

(C) covering losses on enrolled loans by disbursing accumulated funds.

(10) STATE.—The term ''State'' means—

(A) a State of the United States;

(B) the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of Northern Mariana Islands, Guam, American Samoa, and the United States Virgin Islands;

(C) when designated by a State of the United States, a political subdivision of that State that the Secretary determines has the capacity to participate in the Program; and

(D) under the circumstances described in section 3204(d), a municipality of a State of the United States to which the Secretary has given a special permission under section 3204(d).

(11) STATE CAPITAL ACCESS PROGRAM.—The term ''State capital access program'' means a program of a State that—

(A) uses public resources to promote private access to credit; and

(B) meets the eligibility criteria in section 3205(c).

(12) STATE OTHER CREDIT SUPPORT PROGRAM.—The term ''State other credit support program''—

(A) means a program of a State that—

(i) uses public resources to promote private access to credit;

(ii) is not a State capital access program; and

(iii) meets the eligibility criteria in section 3206(c); and

(B) includes, collateral support programs, loan participation programs, State-run venture capital fund programs, and credit guarantee programs.

(13) STATE PROGRAM.—The term ''State program'' means a State capital access program or a State other credit support program.

(14) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

SEC. 3203. FEDERAL FUNDS ALLOCATED TO STATES.

(a) PROGRAM ESTABLISHED; PURPOSE.—There is established the State Small Business Credit Initiative, to be administered by the Secretary. Under the Program, the Secretary shall allocate Federal funds to participating States and make the allocated funds available to the participating States as provided in this section for the uses described in this section.

(b) ALLOCATION FORMULA.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary shall allocate Federal funds to participating States so that each State is eligible to receive an amount equal to the average of the respective amounts that the State—

(A) would receive under the 2009 allocation, as determined under paragraph (2); and

(B) would receive under the 2010 allocation, as determined under paragraph (3).

(2) 2009 ALLOCATION FORMULA.—

(A) IN GENERAL.—The Secretary shall determine the 2009 allocation by allocating Federal funds among the States in the proportion that each such State's 2008 State employment decline bears to the aggregate of the 2008 State employment declines for all States.

(B) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under subparagraph (A) for each State to the extent necessary to ensure that no State receives less than 0.9 percent of the Federal funds.

(C) 2008 STATE EMPLOYMENT DECLINE DEFINED.—In this paragraph and with respect to a State, the term ''2008 State employment decline'' means the excess (if any) of—

(i) the number of individuals employed in such State determined for December 2007; over

(ii) the number of individuals employed in such State determined for December 2008.

(3) 2010 ALLOCATION FORMULA.—

(A) IN GENERAL.—The Secretary shall determine the 2010 allocation by allocating Federal funds among the States in the proportion that each such State's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all of the States.

(B) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under subparagraph (A) for each State to the extent necessary to ensure that no State receives less than 0.9 percent of the Federal funds.

(C) 2009 UNEMPLOYMENT NUMBER DEFINED.—In this paragraph and with respect to a State, the term ''2009 unemployment number'' means the number of individuals within such State who were determined to be unemployed by the Bureau of Labor Statistics for December 2009.

(c) AVAILABILITY OF ALLOCATED AMOUNT.—The amount allocated by the Secretary to each participating State under subsection (b) shall be made available to the State as follows:

(1) ALLOCATED AMOUNT GENERALLY TO BE AVAILABLE TO STATE IN ONE-THIRDS.—

(A) IN GENERAL.—The Secretary shall—

(i) apportion the participating State's allocated amount into thirds;

(ii) transfer to the participating State the first ⅓ when the Secretary approves the State for participation under section 3204; and

(iii) transfer to the participating State each successive ⅓ when the State has certified to the Secretary that it has expended, transferred, or obligated 80 percent of the last transferred ⅓ for Federal contributions to, or for the account of, State programs.

(B) AUTHORITY TO WITHHOLD PENDING AUDIT.—The Secretary may withhold the transfer of any successive ⅓ pending results of a financial audit.

(C) INSPECTOR GENERAL AUDITS.—

(i) IN GENERAL.—The Inspector General of the Department of the Treasury shall carry out an audit of the participating State's use of allocated Federal funds transferred to the State.

(ii) RECOUPMENT OF MISUSED TRANSFERRED FUNDS REQUIRED.—The allocation agreement between the Secretary and the participating State shall provide that the Secretary shall recoup any allocated Federal funds transferred to the participating State if the results of the an audit include a finding that there was an intentional or reckless misuse of transferred funds by the State.

(iii) PENALTY FOR MISSTATEMENT.—Any participating State that is found to have intentionally misstated any report issued to the Secretary under the Program shall be ineligible to receive any additional funds under the Program. Funds that had been allocated or that would otherwise have been allocated to such participating State shall be paid into the general fund of the Treasury for reduction of the public debt.

(iv) MUNICIPALITIES.—In this subparagraph, the term ''participating State'' shall include a municipality given special permission to participate in the Program, under section 3204(d).

(D) EXCEPTION.—The Secretary may, in the Secretary's discretion, transfer the full amount of the participating State's allocated amount to the State in a single transfer if the participating State applies to the Secretary for approval to use the full amount of the allocation as collateral for a qualifying loan or swap funding facility.

(2) TRANSFERRED AMOUNTS.—Each amount transferred to a participating State under this section shall remain available to the State until used by the State as permitted under paragraph (3).

(3) USE OF TRANSFERRED FUNDS.—Each participating State may use funds transferred to it under this section only—

(A) for making Federal contributions to, or for the account of, an approved State program;

(B) as collateral for a qualifying loan or swap funding facility;

(C) in the case of the first ⅓ transferred, for paying administrative costs incurred by the State in implementing an approved State program in an amount not to exceed 5 percent of that first ⅓; or

(D) in the case of each successive ⅓ transferred, for paying administrative costs incurred by the State in implementing an approved State program in an amount not to exceed 3 percent of that successive ⅓.

(4) TERMINATION OF AVAILABILITY OF AMOUNTS NOT TRANSFERRED WITHIN 2 YEARS OF PARTICIPATION.—Any portion of a participating State's allocated amount that has not been transferred to the State under this section by the end of the 2-year period beginning on the date that the Secretary approves the State for participation may be deemed by the Secretary to be no longer allocated to the State and no longer available to the State and shall be returned to the General Fund of the Treasury.

(5) TRANSFERRED AMOUNTS NOT ASSISTANCE.—The amounts transferred to a participating State under this section shall not be considered assistance for purposes of subtitle V of title 31, United States Code.

(6) DEFINITIONS.—In this section—

(A) the term ''allocated amount'' means the total amount of Federal funds allocated by the Secretary under subsection (b) to the participating State; and

(B) the term ''⅓'' means—

(i) in the case of the first ⅓ and second ⅓, an amount equal to 33 percent of a participating State's allocated amount; and

(ii) in the case of the last ⅓, an amount equal to 34 percent of a participating State's allocated amount.

SEC. 3204. APPROVING STATES FOR PARTICIPATION.

(a) APPLICATION.—Any State may apply to the Secretary for approval to be a participating State under the Program and to be eligible for an allocation of Federal funds under the Program.

(b) GENERAL APPROVAL CRITERIA.—The Secretary shall approve a State to be a participating State, if—

(1) a specific department, agency, or political subdivision of the State has been designated to implement a State program and participate in the Program;

(2) all legal actions necessary to enable such designated department, agency, or political subdivision to implement a State program and participate in the Program have been accomplished;

(3) the State has filed an application with the Secretary for approval of a State capital access program under section 3205 or approval as a State other credit support program under section 3206, in each case within the time period provided in the respective section; and

(4) the State and the Secretary have executed an allocation agreement that—

(A) conforms to the requirements of this subtitle;

(B) ensures that the State program complies with such national standards as are established by the Secretary under section 3209(a)(2);

(C) sets forth internal control, compliance, and reporting requirements as established by the Secretary, and such other terms and conditions necessary to carry out the purposes of this subtitle, including an agreement by the State to allow the Secretary to audit State programs;

(D) requires that the State program be fully positioned, within 90 days of the State's execution of the allocation agreement with the Secretary, to act on providing the kind of credit support that the State program was established to provide; and

(E) includes an agreement by the State to deliver to the Secretary, and update annually, a schedule describing how the State intends to apportion among its State programs the Federal funds allocated to the State.

(c) CONTRACTUAL ARRANGEMENTS FOR IMPLEMENTATION OF STATE PROGRAMS.—A State may be approved to be a participating State, and be eligible for an allocation of Federal funds under the Program, if the State has contractual arrangements for the implementation and administration of its State program with—

(1) an existing, approved State program administered by another State; or

(2) an authorized agent of, or entity supervised by, the State, including for-profit and not-for-profit entities.

(d) SPECIAL PERMISSION.—

(1) CIRCUMSTANCES WHEN A MUNICIPALITY MAY APPLY DIRECTLY.—If a State does not, within 60 days after the date of enactment of this Act, file with the Secretary a notice of its intent to apply for approval by the Secretary of a State program or within 9 months after the date of enactment of this Act, file with the Secretary a complete application for approval of a State program, the Secretary may grant to municipalities of that State a special permission that will allow them to apply directly to the Secretary without the State for approval to be participating municipalities.

(2) TIMING REQUIREMENTS APPLICABLE TO MUNICIPALITIES APPLYING DIRECTLY.—To qualify for the special permission, a municipality of a State shall be required, within 12 months after the date of enactment of this Act, to file with the Secretary a complete application for approval by the Secretary of a State program.

(3) NOTICES OF INTENT AND APPLICATIONS FROM MORE THAN 1 MUNICIPALITY.—A municipality of a State may combine with 1 or more other municipalities of that State to file a joint notice of intent to file and a joint application.

(4) APPROVAL CRITERIA.—The general approval criteria in paragraphs (2) and (4) shall apply.

(5) ALLOCATION TO MUNICIPALITIES.—

(A) IF MORE THAN 3.—If more than 3 municipalities, or combination of municipalities as provided in paragraph (3), of a State apply for approval by the Secretary to be participating municipalities under this subsection, and the applications meet the approval criteria in paragraph (4), the Secretary shall allocate Federal funds to the 3 municipalities with the largest populations.

(B) IF 3 OR FEWER.—If 3 or fewer municipalities, or combination of municipalities as provided in paragraph (3), of a State apply for approval by the Secretary to be participating municipalities under this subsection, and the applications meet the approval criteria in paragraph (4), the Secretary shall allocate Federal funds to each applicant municipality or combination of municipalities.

(6) APPORTIONMENT OF ALLOCATED AMOUNT AMONG PARTICIPATING MUNICIPALITIES.—If the Secretary approves municipalities to be participating municipalities under this subsection, the Secretary shall apportion the full amount of the Federal funds that are allocated to that State to municipalities that are approved under this subsection in amounts proportionate to the population of those municipalities, based on the most recent available decennial census.

(7) APPROVING STATE PROGRAMS FOR MUNICIPALITIES.—If the Secretary approves municipalities to be participating municipalities under this subsection, the Secretary shall take into account the additional considerations in section 3206(d) in making the determination under section 3205 or 3206 that the State program or programs to be implemented by the participating municipalities, including a State capital access program, is eligible for Federal contributions to, or for the account of, the State program.

SEC. 3205. APPROVING STATE CAPITAL ACCESS PROGRAMS.

(a) APPLICATION.—A participating State that establishes a new, or has an existing, State capital access program that meets the eligibility criteria in subsection (c) may apply to Secretary to have the State capital access program approved as eligible for Federal contributions to the reserve fund.

(b) APPROVAL.—The Secretary shall approve such State capital access program as eligible for Federal contributions to the reserve fund if—

(1) within 60 days after the date of enactment of this Act, the State has filed with the Secretary a notice of intent to apply for approval by the Secretary of a State capital access program;

(2) within 9 months after the date of enactment of this Act, the State has filed with the Secretary a complete application for approval by the Secretary of a capital access program;

(3) the State satisfies the requirements of subsections (a) and (b) of section 3204; and

(4) the State capital access program meets the eligibility criteria in subsection (c).

(c) ELIGIBILITY CRITERIA FOR STATE CAPITAL ACCESS PROGRAMS.—- For a State capital access program to be approved under this section, that program shall be required to be a program of the State that—

(1) provides portfolio insurance for business loans based on a separate loan-loss reserve fund for each financial institution;

(2) requires insurance premiums to be paid by the financial institution lenders and by the business borrowers to the reserve fund to have their loans enrolled in the reserve fund;

(3) provides for contributions to be made by the State to the reserve fund in amounts at least equal to the sum of the amount of the insurance premium charges paid by the borrower and the financial institution to the reserve fund for any newly enrolled loan; and

(4) provides its portfolio insurance solely for loans that meet both the following requirements:

(A) The borrower has 500 employees or less at the time that the loan is enrolled in the Program.

(B) The loan amount does not exceed $5,000,000.

(d) FEDERAL CONTRIBUTIONS TO APPROVED STATE CAPITAL ACCESS PROGRAMS.—A State capital access program approved under this section will be eligible for receiving Federal contributions to the reserve fund in an amount equal to the sum of the amount of the insurance premium charges paid by the borrowers and by the financial institution to the reserve fund for loans that meet the requirements in subsection (c)(4). A participating State may use the Federal contribution to make its contribution to the reserve fund of an approved State capital access program.

(e) MINIMUM PROGRAM REQUIREMENTS FOR STATE CAPITAL ACCESS PROGRAMS.—The Secretary shall, by regulation or other guidance, prescribe Program requirements that meet the following minimum requirements:

(1) EXPERIENCE AND CAPACITY.—The participating State shall determine for each financial institution that participates in the State capital access program, after consultation with the appropriate Federal banking agency or, in the case of a financial institution that is a nondepository community development financial institution, the Community Development Financial Institution Fund, that the financial institution has sufficient commercial lending experience and financial and managerial capacity to participate in the approved State capital access program. The determination by the State shall not be reviewable by the Secretary.

(2) INVESTMENT AUTHORITY.—Subject to applicable State law, the participating State may invest, or cause to be invested, funds held in a reserve fund by establishing a deposit account at the financial institution lender in the name of the participating State. In the event that funds in the reserve fund are not deposited in such an account, such funds shall be invested in a form that the participating State determines is safe and liquid.

(3) LOAN TERMS AND CONDITIONS TO BE DETERMINED BY AGREEMENT.—A loan to be filed for enrollment in an approved State capital access program may be made with such interest rate, fees, and other terms and conditions, and the loan may be enrolled in the approved State capital access program and claims may be filed and paid, as agreed upon by the financial institution lender and the borrower, consistent with applicable law.

(4) LENDER CAPITAL AT-RISK.—A loan to be filed for enrollment in the State capital access program shall require the financial institution lender to have a meaningful amount of its own capital resources at risk in the loan.

(5) PREMIUM CHARGES MINIMUM AND MAXIMUM AMOUNTS.—The insurance premium charges payable to the reserve fund by the borrower and the financial institution lender shall be prescribed by the financial institution lender, within minimum and maximum limits that require that the sum of the insurance premium charges paid in connection with a loan by the borrower and the financial institution lender may not be less than 2 percent nor more than 7 percent of the

amount of the loan enrolled in the approved State capital access program.

(6) STATE CONTRIBUTIONS.—In enrolling a loan in an approved State capital access program, the participating State may make a contribution to the reserve fund to supplement Federal contributions made under this Program.

(7) LOAN PURPOSE.—

(A) PARTICULAR LOAN PURPOSE REQUIREMENTS AND PROHIBITIONS.—In connection with the filing of a loan for enrollment in an approved State capital access program, the financial institution lender—

(i) shall obtain an assurance from each borrower that—

(I) the proceeds of the loan will be used for a business purpose;

(II) the loan will not be used to finance such business activities as the Secretary, by regulation, may proscribe as prohibited loan purposes for enrollment in an approved State capital access program; and

(III) the borrower is not—

(aa) an executive officer, director, or principal shareholder of the financial institution lender;

(bb) a member of the immediate family of an executive officer, director, or principal shareholder of the financial institution lender; or

(cc) a related interest of any such executive officer, director, principal shareholder, or member of the immediate family;

(ii) shall provide assurances to the participating State that the loan has not been made in order to place under the protection of the approved State capital access program prior debt that is not covered under the approved State capital access program and that is or was owed by the borrower to the financial institution lender or to an affiliate of the financial institution lender;

(iii) shall not allow the enrollment of a loan to a borrower that is a refinancing of a loan previously made to that borrower by the financial institution lender or an affiliate of the financial institution lender; and

(iv) may include additional restrictions on the eligibility of loans or borrowers that are not inconsistent with the provisions and purposes of this subtitle, including compliance with all applicable Federal and State laws, regulations, ordinances, and Executive orders.

(B) DEFINITIONS.—In this paragraph, the terms ''executive officer'', ''director'', ''principal shareholder'', ''immediate family'', and ''related interest'' refer to the same relationship to a financial institution lender as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.

(8) CAPITAL ACCESS FOR SMALL BUSINESSES IN UNDERSERVED COMMUNITIES.—At the time that a State applies to the Secretary to have the State capital access program approved as eligible for Federal contributions, the State shall deliver to the Secretary a report stating how the State plans to use the Federal contributions to the reserve fund to provide access to capital for small businesses in low- and moderate-income, minority, and other underserved communities, including women- and minority-owned small businesses.

SEC. 3206. APPROVING COLLATERAL SUPPORT AND OTHER INNOVATIVE CREDIT ACCESS AND GUARANTEE INITIATIVES FOR SMALL BUSINESSES AND MANUFACTURERS.

(a) APPLICATION.—A participating State that establishes a new, or has an existing, credit support program that meets the eligibility criteria in subsection (c) may apply to the Secretary to have the State other credit support program approved as eligible for Federal contributions to, or for the account of, the State program.

(b) APPROVAL.—The Secretary shall approve such State other credit support program as eligible for Federal contributions to, or for the account of, the program if—

(1) the Secretary determines that the State satisfies the requirements of paragraphs (1) through (3) of section 3205(b);

(2) the Secretary determines that the State other credit support program meets the eligibility criteria in subsection (c);

(3) the Secretary determines the State other credit support program to be eligible based on the additional considerations in subsection (d); and

(4) within 9 months after the date of enactment of this Act, the State has filed with Treasury a complete application for Treasury approval.

(c) ELIGIBILITY CRITERIA FOR STATE OTHER CREDIT SUPPORT PROGRAMS.—For a State other credit support program to be approved under this section, that program shall be required to be a program of the State that—

(1) can demonstrate that, at a minimum, $1 of public investment by the State program will cause and result in $1 of new private credit;

(2) can demonstrate a reasonable expectation that, when considered with all other State programs of the State, such State programs together have the ability to use amounts of new Federal contributions to, or for the account of, all such programs in the State to cause and result in amounts of new small business lending at least 10 times the new Federal contribution amount;

(3) for those State other credit support programs that provide their credit support through 1 or more financial institution lenders, requires the financial institution lenders to have a meaningful amount of their own capital resources at risk in their small business lending; and

(4) uses Federal funds allocated under this subtitle to extend credit support that—

(A) targets an average borrower size of 500 employees or less;

(B) does not extend credit support to borrowers that have more than 750 employees;

(C) targets support towards loans with an average principal amount of $5,000,000 or less; and

(D) does not extend credit support to loans that exceed a principal amount of $20,000,000.

(d) ADDITIONAL CONSIDERATIONS.—In making a determination that a State other credit support program is eligible for Federal contributions to, or for the account of, the State program, the Secretary shall take into account the following additional considerations:

(1) The anticipated benefits to the State, its businesses, and its residents to be derived from the Federal contributions to, or for the account of, the approved State other credit support program, including the extent to which resulting small business lending will expand economic opportunities.

(2) The operational capacity, skills, and experience of the management team of the State other credit support program.

(3) The capacity of the State other credit support program to manage increases in the volume of its small business lending.

(4) The internal accounting and administrative controls systems of the State other credit support program, and the extent to which they can provide reasonable assurance that funds of the State program are safeguarded against waste, loss, unauthorized use, or misappropriation.

(5) The soundness of the program design and implementation plan of the State other credit support program.

(e) FEDERAL CONTRIBUTIONS TO APPROVED STATE OTHER CREDIT SUPPORT PROGRAMS.—A State other credit support program approved under this section will be eligible for receiving Federal contributions to, or for the account of, the State program in an amount consistent with the schedule describing the apportionment of allocated Federal funds among State programs delivered by the State to the Secretary under the allocation agreement.

(f) MINIMUM PROGRAM REQUIREMENTS FOR STATE OTHER CREDIT SUPPORT PROGRAMS.—

(1) FUND TO PRESCRIBE.—The Secretary shall, by regulation or other guidance, prescribe Program requirements for approved State other credit support programs.

(2) CONSIDERATIONS FOR FUND.—In prescribing minimum Program requirements for approved State other credit support programs, the Secretary shall take into consideration, to the extent the Secretary determines applicable and appropriate, the minimum Program requirements for approved State capital access programs in section 3205(e).

SEC. 3207. REPORTS.

(a) QUARTERLY USE-OF-FUNDS REPORT.—

(1) IN GENERAL.—Not later than 30 days after the beginning of each calendar quarter, beginning after the first full calendar quarter to occur after the date the Secretary approves a State for participation, the participating State shall submit to the Secretary a report on the use of Federal funding by the participating State during the previous calendar quarter.

(2) REPORT CONTENTS.—Each report under this subsection shall—

(A) indicate the total amount of Federal funding used by the participating State; and

(B) include a certification by the participating State that—

(i) the information provided in accordance with subparagraph (A) is accurate;

(ii) funds continue to be available and legally committed to contributions by the State to, or for the account of, approved State programs, less any amount that has been contributed by the State to, or for the account of, approved State programs subsequent to the State being approved for participation in the Program; and

(iii) the participating State is implementing its approved State program or programs in accordance with this subtitle and regulations issued under section 3210.

(b) ANNUAL REPORT.—Not later than March 31 of each year, beginning March 31, 2011, each participating State shall submit to the Secretary an annual report that shall include the following information:

(1) The number of borrowers that received new loans originated under the approved State program or programs after the State program was approved as eligible for Federal contributions.

(2) The total amount of such new loans.

(3) Breakdowns by industry type, loan size, annual sales, and number of employees of the borrowers that received such new loans.

(4) The zip code of each borrower that received such a new loan.

(5) Such other data as the Secretary, in the Secretary's sole discretion, may require to carry out the purposes of the Program.

(c) FORM.—The reports and data filed under subsections (a) and (b) shall be in such form as the Secretary, in the Secretary's sole discretion, may require.

(d) TERMINATION OF REPORTING REQUIREMENTS.—The requirement to submit reports under subsections (a) and (b) shall terminate for a participating State with the submission of the completed reports due on the first March 31 to occur after 5 complete 12-month periods after the State is approved by the Secretary to be a participating State.

SEC. 3208. REMEDIES FOR STATE PROGRAM TERMINATION OR FAILURES.

(a) REMEDIES.—

(1) IN GENERAL.—If any of the events listed in paragraph (2) occur, the Secretary, in the Secretary's discretion, may—

(A) reduce the amount of Federal funds allocated to the State under the Program; or

(B) terminate any further transfers of allocated amounts that have not yet been transferred to the State.

(2) CAUSAL EVENTS.—The events referred to in paragraph (1) are—

(A) termination by a participating State of its participation in the Program;

(B) failure on the part of a participating State to submit complete reports under section 3207 on a timely basis; or

(C) noncompliance by the State with the terms of the allocation agreement between the Secretary and the State.

(b) DEALLOCATED AMOUNTS TO BE REALLOCATED.—If, after 13 months, any portion of the amount of Federal funds allocated to a participating State is deemed by the Secretary to be no longer allocated to the State after actions taken by the Secretary under subsection (a)(1), the Secretary shall reallocate that portion among the participating States, excluding the State whose allocated funds were deemed to be no longer allocated, as provided in section 3203(b).

SEC. 3209. IMPLEMENTATION AND ADMINISTRATION.

(a) GENERAL AUTHORITIES AND DUTIES.—The Secretary shall—

(1) consult with the Administrator of the Small Business Administration and the appropriate Federal banking agencies on the administration of the Program;

(2) establish minimum national standards for approved State programs;

(3) provide technical assistance to States for starting State programs and generally disseminate best practices;

(4) manage, administer, and perform necessary program integrity functions for the Program; and

(5) ensure adequate oversight of the approved State programs, including oversight of the cash flows, performance, and compliance of each approved State program.

(b) APPROPRIATIONS.—There is hereby appropriated to the Secretary, out of funds in the Treasury not otherwise appropriated, $900,000,000 to carry out the Program, including to pay reasonable costs of administering the Program.

(c) TERMINATION OF SECRETARY'S PROGRAM ADMINISTRATION FUNCTIONS.—The authorities and duties of the Secretary to implement and administer the Program shall terminate at the end of the 7-year period beginning on the date of enactment of this Act.

(d) EXPEDITED CONTRACTING.—During the 1-year period beginning on the date of enactment of this Act, the Secretary may enter into contracts without regard to any other provision of law regarding public contracts, for purposes of carrying out this subtitle.

SEC. 3210. REGULATIONS.

The Secretary, in consultation with the Administrator of the Small Business Administration, shall issue such regulations and other guidance as the Secretary determines necessary or appropriate to implement this subtitle including to define terms, to establish compliance and reporting requirements, and such other terms and conditions necessary to carry out the purposes of this subtitle.

SEC. 3211. OVERSIGHT AND AUDITS.

(a) INSPECTOR GENERAL OVERSIGHT.—The Inspector General of the Department of the Treasury shall conduct, supervise, and coordinate audits and investigations of the use of funds made available under the Program.

(b) GAO AUDIT.—The Comptroller General of the United States shall perform an annual audit of the Program and issue a report to the appropriate committees of Congress containing the results of such audit.

(c) REQUIRED CERTIFICATION.—

(1) FINANCIAL INSTITUTIONS CERTIFICATION.—With respect to funds received by a participating State under the Program, any financial institution that receives a loan, a loan guarantee, or other financial assistance using such funds after the date of the enactment of this Act shall certify that such institution is in compliance with the requirements of section 103.121 of title 31, Code of Federal Regulations, a regulation that, at a minimum, requires financial institutions, as that term is defined in section 5312 (a)(2) and (c)(1)(A) of title 31, United States Code, to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify the person's identity, and determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency.

(2) SEX OFFENSE CERTIFICATION.—With respect to funds received by a participating State under the Program, any private entity that receives a loan, a loan guarantee, or other financial assistance using such funds after the date of the enactment of this Act shall certify to the participating State that the principals of such entity have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

(d) PROHIBITION ON PORNOGRAPHY.—None of the funds made available under this subtitle may be used to pay the salary of any individual engaged in activities related to the Program who has been officially disciplined for violations of subpart G of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including child pornography, on a Federal Government computer or while performing official Federal Government duties.

TITLE IV—BUDGETARY PROVISIONS

SEC. 4001. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go-Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The provisions in this Act shall take effect one day after enactment.

SA 4404. Mr. REID proposed an amendment to amendment SA 4403 proposed by Mr. REID (for himself, Mr. BAUCUS, and Ms. LANDRIEU) to the amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; as follows:

On page 236, line 24, strike ''one'' and insert ''five''.

SA 4405. Mr. REID proposed an amendment to amendment to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; as follows:

At the end, insert the following:

The provisions of this Act shall become effective three days after enactment.

SA 4406. Mr. REID proposed an amendment to amendment SA 4405 proposed by Mr. REID to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; as follows:

In the amendment, strike ''three days'' and insert ''10 days''.

SA 4407. Mr. REID (for himself, Mr. BAUCUS, and Ms. LANDRIEU) proposed an amendment to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Small Business Jobs Act of 2010''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TITLE I—SMALL BUSINESSES

SEC. 1001. DEFINITIONS.

In this title—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively; and

(2) the term ''small business concern'' has the meaning given that term under section 3 of the Small Business Act (15 U.S.C. 632).

Subtitle A—Small Business Access to Credit

SEC. 1101. SHORT TITLE.

This subtitle may be cited as the ''Small Business Job Creation and Access to Capital Act of 2010''.

PART I—NEXT STEPS FOR MAIN STREET CREDIT AVAILABILITY

SEC. 1111. SECTION 7(a) BUSINESS LOANS.

(a) AMENDMENT.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking ''75 percent'' and inserting ''90 percent''; and

(B) in clause (ii), by striking ''85 percent'' and inserting ''90 percent''; and

(2) in paragraph (3)(A), by striking ''$1,500,000 (or if the gross loan amount would exceed $2,000,000'' and inserting ''$4,500,000 (or if the gross loan amount would exceed $5,000,000''.

(b) PROSPECTIVE REPEAL.—Effective January 1, 2011, section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking ''90 percent'' and inserting ''75 percent''; and

(B) in clause (ii), by striking ''90 percent'' and inserting ''85 percent''; and

(2) in paragraph (3)(A), by striking ''$4,500,000'' and inserting ''$3,750,000''.

SEC. 1112. MAXIMUM LOAN AMOUNTS UNDER 504 PROGRAM.

Section 502(2)(A) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)(A)) is amended—

(1) in clause (i), by striking ''$1,500,000'' and inserting ''$5,000,000'';

(2) in clause (ii), by striking ''$2,000,000'' and inserting ''$5,000,000'';

(3) in clause (iii), by striking ''$4,000,000'' and inserting ''$5,500,000'';

(4) in clause (iv), by striking ''$4,000,000'' and inserting ''$5,500,000''; and

(5) in clause (v), by striking ''$4,000,000'' and inserting ''$5,500,000''.

SEC. 1113. MAXIMUM LOAN LIMITS UNDER MICROLOAN PROGRAM.

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

(1) in paragraph (1)(B)(iii), by striking ''$35,000'' and inserting ''$50,000'';

(2) in paragraph (3)—

(A) in subparagraph (C), by striking ''$3,500,000'' and inserting ''$5,000,000''; and

(B) in subparagraph (E), by striking ''$35,000'' each place that term appears and inserting ''$50,000''; and

(3) in paragraph (11)(B), by striking ''$35,000'' and inserting ''$50,000''.

SEC. 1114. TEMPORARY FEE REDUCTIONS.

Section 501 of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 151) is amended by striking ''September 30, 2010'' each place that term appears and inserting ''December 31, 2010''.

SEC. 1115. NEW MARKETS VENTURE CAPITAL COMPANY INVESTMENT LIMITATIONS.

Section 355 of the Small Business Investment Act of 1958 (15 U.S.C. 689d) is amended by adding at the end the following:

''(e) INVESTMENT LIMITATIONS.—

''(1) DEFINITION.—In this subsection, the term 'covered New Markets Venture Capital company' means a New Markets Venture Capital company—

''(A) granted final approval by the Administrator under section 354(e) on or after March 1, 2002; and

''(B) that has obtained a financing from the Administrator.

''(2) LIMITATION.—Except to the extent approved by the Administrator, a covered New Markets Venture Capital company may not acquire or issue commitments for securities under this title for any single enterprise in an aggregate amount equal to more than 10 percent of the sum of—

''(A) the regulatory capital of the covered New Markets Venture Capital company; and

''(B) the total amount of leverage projected in the participation agreement of the covered New Markets Venture Capital.''.

SEC. 1116. ALTERNATIVE SIZE STANDARDS.

Section 3(a) of the Small Business Act (15 U.S.C. 632(a)) is amended by adding at the end the following:

''(5) ALTERNATIVE SIZE STANDARD.—

''(A) IN GENERAL.—The Administrator shall establish an alternative size standard for applicants for business loans under section 7(a) and applicants for development company loans under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.), that uses maximum tangible net worth and average net income as an alternative to the use of industry standards.

''(B) INTERIM RULE.—Until the date on which the alternative size standard established under subparagraph (A) is in effect, an applicant for a business loan under section 7(a) or an applicant for a development company loan under title V of the Small Business Investment Act of 1958 may be eligible for such a loan if—

''(i) the maximum tangible net worth of the applicant is not more than $15,000,000; and

''(ii) the average net income after Federal income taxes (excluding any carry-over losses) of the applicant for the 2 full fiscal years before the date of the application is not more than $5,000,000.''.

SEC. 1117. SALE OF 7(a) LOANS IN SECONDARY MARKET.

Section 5(g) of the Small Business Act (15 U.S.C. 634(g)) is amended by adding at the end the following:

''(6) If the amount of the guaranteed portion of any loan under section 7(a) is more than $500,000, the Administrator shall, upon request of a pool assembler, divide the loan guarantee into increments of $500,000 and 1 increment of any remaining amount less than $500,000, in order to permit the maximum amount of any loan in a pool to be not more than $500,000. Only 1 increment of any loan guarantee divided under this paragraph may be included in the same pool. Increments of loan guarantees to different borrowers that are divided under this paragraph may be included in the same pool.''.

SEC. 1118. ONLINE LENDING PLATFORM.

It is the sense of Congress that the Administrator of the Small Business Administration should establish a website that—

(1) lists each lender that makes loans guaranteed by the Small Business Administration and provides information about the loan rates of each such lender; and

(2) allows prospective borrowers to compare rates on loans guaranteed by the Small Business Administration.

SEC. 1119. SBA SECONDARY MARKET GUARANTEE AUTHORITY.

Section 503(f) of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 155) is amended by striking ''on the date 2 years after the date of enactment of this section'' and inserting ''2 years after the date of the first sale of a pool of first lien position 504 loans guaranteed under this section to a third-party investor''.

PART II—SMALL BUSINESS ACCESS TO CAPITAL

SEC. 1122. LOW-INTEREST REFINANCING UNDER THE LOCAL DEVELOPMENT BUSINESS LOAN PROGRAM.

(a) REFINANCING.—Section 502(7) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)) is amended by adding at the end the following:

''(C) REFINANCING NOT INVOLVING EXPANSIONS.—

''(i) DEFINITIONS.—In this subparagraph—

''(I) the term 'borrower' means a small business concern that submits an application to a development company for financing under this subparagraph;

''(II) the term 'eligible fixed asset' means tangible property relating to which the Administrator may provide financing under this section; and

''(III) the term 'qualified debt' means indebtedness—

''(aa) that—

''(AA) was incurred not less than 2 years before the date of the application for assistance under this subparagraph;

''(BB) is a commercial loan;

''(CC) is not subject to a guarantee by a Federal agency;

''(DD) the proceeds of which were used to acquire an eligible fixed asset;

''(EE) was incurred for the benefit of the small business concern; and

''(FF) is collateralized by eligible fixed assets; and

''(bb) for which the borrower has been current on all payments for not less than 1 year before the date of the application.

''(ii) AUTHORITY.—A project that does not involve the expansion of a small business concern may include the refinancing of qualified debt if—

''(I) the amount of the financing is not more than 90 percent of the value of the collateral for the financing, except that, if the appraised value of the eligible fixed assets serving as collateral for the financing is less than the amount equal to 125 percent of the amount of the financing, the borrower may provide additional cash or other collateral to eliminate any deficiency;

''(II) the borrower has been in operation for all of the 2-year period ending on the date of the loan; and

''(III) for a financing for which the Administrator determines there will be an additional cost attributable to the refinancing of the qualified debt, the borrower agrees to pay a fee in an amount equal to the anticipated additional cost.

''(iii) FINANCING FOR BUSINESS EXPENSES.—

''(I) FINANCING FOR BUSINESS EXPENSES.—The Administrator may provide financing to a borrower that receives financing that includes a refinancing of qualified debt under clause (ii), in addition to the refinancing under clause (ii), to be used solely for the payment of business expenses.

''(II) APPLICATION FOR FINANCING.—An application for financing under subclause (I) shall include—

''(aa) a specific description of the expenses for which the additional financing is requested; and

''(bb) an itemization of the amount of each expense.

''(III) CONDITION ON ADDITIONAL FINANCING.—A borrower may not use any part of the financing under this clause for non-business purposes.

''(iv) LOANS BASED ON JOBS.—

''(I) JOB CREATION AND RETENTION GOALS.—

''(aa) IN GENERAL.—The Administrator may provide financing under this subparagraph for a borrower that meets the job creation goals under subsection (d) or (e) of section 501.

''(bb) ALTERNATE JOB RETENTION GOAL.—The Administrator may provide financing under this subparagraph to a borrower that does not meet the goals described in item (aa) in an amount that is not more than the product obtained by multiplying the number of employees of the borrower by $65,000.

''(II) NUMBER OF EMPLOYEES.—For purposes of subclause (I), the number of employees of a borrower is equal to the sum of—

''(aa) the number of full-time employees of the borrower on the date on which the borrower applies for a loan under this subparagraph; and

''(bb) the product obtained by multiplying—

''(AA) the number of part-time employees of the borrower on the date on which the borrower applies for a loan under this subparagraph; by

''(BB) the quotient obtained by dividing the average number of hours each part time employee of the borrower works each week by 40.

''(v) NONDELEGATION.—Notwithstanding section 508(e), the Administrator may not permit a premier certified lender to approve or disapprove an application for assistance under this subparagraph.

''(vi) TOTAL AMOUNT OF LOANS.—The Administrator may provide not more than a total of $7,500,000,000 of financing under this subparagraph for each fiscal year.''.

(b) PROSPECTIVE REPEAL.—Effective 2 years after the date of enactment of this Act, section 502(7) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)) is amended by striking subparagraph (C).

(c) TECHNICAL CORRECTION.—Section 502(2)(A)(i) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)(A)(i)) is amended by striking ''subparagraph (B) or (C)'' and inserting ''clause (ii), (iii), (iv), or (v)''.

PART III—OTHER MATTERS

SEC. 1131. SMALL BUSINESS INTERMEDIARY LENDING PILOT PROGRAM.

(a) IN GENERAL.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended by striking subsection (l) and inserting the following:

''(l) SMALL BUSINESS INTERMEDIARY LENDING PILOT PROGRAM.—

''(1) DEFINITIONS.—In this subsection—

''(A) the term 'eligible intermediary'—

''(i) means a private, nonprofit entity that—

''(I) seeks or has been awarded a loan from the Administrator to make loans to small business concerns under this subsection; and

''(II) has not less than 1 year of experience making loans to startup, newly established, or growing small business concerns; and

''(ii) includes—

''(I) a private, nonprofit community development corporation;

''(II) a consortium of private, nonprofit organizations or nonprofit community development corporations; and

''(III) an agency of or nonprofit entity established by a Native American Tribal Government; and

''(B) the term 'Program' means the small business intermediary lending pilot program established under paragraph (2).

''(2) ESTABLISHMENT.—There is established a 3-year small business intermediary lending pilot program, under which the Administrator may make direct loans to eligible intermediaries, for the purpose of making loans to startup, newly established, and growing small business concerns.

''(3) PURPOSES.—The purposes of the Program are—

''(A) to assist small business concerns in areas suffering from a lack of credit due to poor economic conditions or changes in the financial market; and

''(B) to establish a loan program under which the Administrator may provide loans to eligible intermediaries to enable the eligible intermediaries to provide loans to startup, newly established, and growing small business concerns for working capital, real estate, or the acquisition of materials, supplies, or equipment.

''(4) LOANS TO ELIGIBLE INTERMEDIARIES.—

''(A) APPLICATION.—Each eligible intermediary desiring a loan under this subsection shall submit an application to the Administrator that describes—

''(i) the type of small business concerns to be assisted;

''(ii) the size and range of loans to be made;

''(iii) the interest rate and terms of loans to be made;

''(iv) the geographic area to be served and the economic, poverty, and unemployment characteristics of the area;

''(v) the status of small business concerns in the area to be served and an analysis of the availability of credit; and

''(vi) the qualifications of the applicant to carry out this subsection.

''(B) LOAN LIMITS.—No loan may be made to an eligible intermediary under this subsection if the total amount outstanding and committed to the eligible intermediary by the Administrator would, as a result of such loan, exceed $1,000,000 during the participation of the eligible intermediary in the Program.

''(C) LOAN DURATION.—Loans made by the Administrator under this subsection shall be for a term of 20 years.

''(D) APPLICABLE INTEREST RATES.—Loans made by the Administrator to an eligible intermediary under the Program shall bear an annual interest rate equal to 1.00 percent.

''(E) FEES; COLLATERAL.—The Administrator may not charge any fees or require collateral with respect to any loan made to an eligible intermediary under this subsection.

''(F) DELAYED PAYMENTS.—The Administrator shall not require the repayment of principal or interest on a loan made to an eligible intermediary under the Program during the 2-year period beginning on the date of the initial disbursement of funds under that loan.

''(G) MAXIMUM PARTICIPANTS AND AMOUNTS.—During each of fiscal years 2011, 2012, and 2013, the Administrator may make loans under the Program—

''(i) to not more than 20 eligible intermediaries; and

''(ii) in a total amount of not more than $20,000,000.

''(5) LOANS TO SMALL BUSINESS CONCERNS.—

''(A) IN GENERAL.—The Administrator, through an eligible intermediary, shall make loans to startup, newly established, and growing small business concerns for working capital, real estate, and the acquisition of materials, supplies, furniture, fixtures, and equipment.

''(B) MAXIMUM LOAN.—An eligible intermediary may not make a loan under this subsection of more than $200,000 to any 1 small business concern.

''(C) APPLICABLE INTEREST RATES.—A loan made by an eligible intermediary to a small business concern under this subsection, may have a fixed or a variable interest rate, and shall bear an interest rate specified by the eligible intermediary in the application of the eligible intermediary for a loan under this subsection.

''(D) REVIEW RESTRICTIONS.—The Administrator may not review individual loans made by an eligible intermediary to a small business concern before approval of the loan by the eligible intermediary.

''(6) TERMINATION.—The authority of the Administrator to make loans under the Program shall terminate 3 years after the date of enactment of the Small Business Job Creation and Access to Capital Act of 2010.''.

(b) RULEMAKING AUTHORITY.—Not later than 180 days after the date of enactment of this Act, the Administrator shall issue regulations to carry out section 7(l) of the Small Business Act, as amended by subsection (a).

(c) AVAILABILITY OF FUNDS.—Any amounts provided to the Administrator for the purposes of carrying out section 7(l) of the Small Business Act, as amended by subsection (a), shall remain available until expended.

SEC. 1132. PUBLIC POLICY GOALS.

Section 501(d)(3) of the Small Business Investment Act of 1958 (15 U.S.C. 695(d)(3)) is amended—

(1) in subparagraph (J), by striking ''or'' at the end;

(2) in subparagraph (K), by striking the period at the end and inserting '', or''; and

(3) by adding at the end the following:

''(L) reduction of rates of unemployment in labor surplus areas, as such areas are determined by the Secretary of Labor.''.

SEC. 1133. DRAFT FLOOR PLAN PILOT PROGRAM EXTENSION.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) by redesignating paragraph (32), relating to increased veteran participation, as added by section 208 of the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008 (Public Law 110–186; 122 Stat. 631), as paragraph (33); and

(2) by adding at the end the following:

''(34) DEALER FLOOR PLAN FINANCING PROGRAM.—

''(A) DEFINITION.—In this paragraph, the term 'eligible retail good'—

''(i) means a good for which a title may be obtained under State law; and

''(ii) includes an automobile, recreational vehicle, boat, and manufactured home.

''(B) PROGRAM.—The Administrator may guarantee the timely payment of an open-end extension of credit to a small business concern, the proceeds of which may be used for the purchase of eligible retail goods for resale.

''(C) AMOUNT.—An open-end extension of credit guaranteed under this paragraph shall be in an amount not less than $500,000 and not more than $5,000,000.

''(D) TERM.—An open-end extension of credit guaranteed under this paragraph shall have a term of not more than 5 years.

''(E) GUARANTEE PERCENTAGE.—The Administrator may guarantee—

''(i) not less than 60 percent of an open-end extension of credit under this paragraph; and

''(ii) not more than 75 percent of an open-end extension of credit under this paragraph.

''(F) ADVANCE RATE.—The lender for an open-end extension of credit guaranteed under this paragraph may allow the borrower to draw funds on the line of credit in an amount equal to not more than 100 percent of the value of the eligible retail goods to be purchased.''.

(b) SUNSET.—Effective September 30, 2013, section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) by striking paragraph (34); and

(2) by redesignating paragraph (35), as added by section 1206 of this Act, as paragraph (34).

SEC. 1134. GUARANTEES FOR BONDS AND NOTES ISSUED FOR COMMUNITY OR ECONOMIC DEVELOPMENT PURPOSES.

The Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.) is amended by inserting after section 114 (12 U.S.C. 4713) the following:

''SEC. 114A. GUARANTEES FOR BONDS AND NOTES ISSUED FOR COMMUNITY OR ECONOMIC DEVELOPMENT PURPOSES.

''(a) DEFINITIONS.—In this section, the following definitions shall apply:

''(1) ELIGIBLE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term 'eligible community development financial institution' means a community development financial institution (as described in section 1805.201 of title 12, Code of Federal Regulations, or any successor thereto) certified by the Secretary that has applied to a qualified issuer for, or been granted by a qualified issuer, a loan under the Program.

''(2) ELIGIBLE COMMUNITY OR ECONOMIC DEVELOPMENT PURPOSE.—The term 'eligible community or economic development purpose'—

''(A) means any purpose described in section 108(b); and

''(B) includes the provision of community or economic development in low-income or underserved rural areas.

''(3) GUARANTEE.—The term 'guarantee' means a written agreement between the Secretary and a qualified issuer (or trustee), pursuant to which the Secretary ensures repayment of the verifiable losses of principal, interest, and call premium, if any, on notes or bonds issued by a qualified issuer to finance or refinance loans to eligible community development financial institutions.

''(4) LOAN.—The term 'loan' means any credit instrument that is extended under the Program for any eligible community or economic development purpose.

''(5) MASTER SERVICER.—

''(A) IN GENERAL.—The term 'master servicer' means any entity approved by the Secretary in accordance with subparagraph (B) to oversee the activities of servicers, as provided in subsection (f)(4).

''(B) APPROVAL CRITERIA FOR MASTER SERVICERS.—The Secretary shall approve or deny any application to become a master servicer under the Program not later than 90 days after the date on which all required information is submitted to the Secretary, based on the capacity and experience of the applicant in—

''(i) loan administration, servicing, and loan monitoring;

''(ii) managing regional or national loan intake, processing, or servicing operational systems and infrastructure;

''(iii) managing regional or national originator communication systems and infrastructure;

''(iv) developing and implementing training and other risk management strategies on a regional or national basis; and

''(v) compliance monitoring, investor relations, and reporting.

''(6) PROGRAM.—The term 'Program' means the guarantee Program for bonds and notes issued for eligible community or economic development purposes established under this section.

''(7) PROGRAM ADMINISTRATOR.—The term 'Program administrator' means an entity designated by the issuer to perform administrative duties, as provided in subsection (f)(2).

''(8) QUALIFIED ISSUER.—

''(A) IN GENERAL.—The term 'qualified issuer' means a community development financial institution (or any entity designated to issue notes or bonds on behalf of such community development financial institution) that meets the qualification requirements of this paragraph.

''(B) APPROVAL CRITERIA FOR QUALIFIED ISSUERS.—

''(i) IN GENERAL.—The Secretary shall approve a qualified issuer for a guarantee under the Program in accordance with the requirements of this paragraph, and such additional requirements as the Secretary may establish, by regulation.

''(ii) TERMS AND QUALIFICATIONS.—A qualified issuer shall—

''(I) have appropriate expertise, capacity, and experience, or otherwise be qualified to make loans for eligible community or economic development purposes;

''(II) provide to the Secretary—

''(aa) an acceptable statement of the proposed sources and uses of the funds; and

''(bb) a capital distribution plan that meets the requirements of subsection (c)(1); and

''(III) certify to the Secretary that the bonds or notes to be guaranteed are to be used for eligible community or economic development purposes.

''(C) DEPARTMENT OPINION; TIMING.—

''(i) DEPARTMENT OPINION.—Not later than 30 days after the date of a request by a qualified issuer for approval of a guarantee under the Program, the Secretary shall provide an opinion regarding compliance by the issuer with the requirements of the Program under this section.

''(ii) TIMING.—The Secretary shall approve or deny a guarantee under this section after consideration of the opinion provided to the Secretary under clause (i), and in no case later than 90 days after receipt of all required information by the Secretary with respect to a request for such guarantee.

''(9) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

''(10) SERVICER.—The term 'servicer' means an entity designated by the issuer to perform various servicing duties, as provided in subsection (f)(3).

''(b) GUARANTEES AUTHORIZED.—The Secretary shall guarantee payments on bonds or notes issued by any qualified issuer, if the proceeds of the bonds or notes are used in accordance with this section to make loans to eligible community development financial institutions—

''(1) for eligible community or economic development purposes; or

''(2) to refinance loans or notes issued for such purposes.

''(c) GENERAL PROGRAM REQUIREMENTS.—

''(1) IN GENERAL.—A capital distribution plan meets the requirements of this subsection, if not less than 90 percent of the principal amount of guaranteed bonds or notes (other than costs of issuance fees) are used to make loans for any eligible community or economic development purpose, measured annually, beginning at the end of the 1-year period beginning on the issuance date of such guaranteed bonds or notes.

''(2) RELENDING ACCOUNT.—Not more than 10 percent of the principal amount of guaranteed bonds or notes, multiplied by an amount equal to the outstanding principal balance of issued notes or bonds, minus the risk-share pool amount under subsection (d), may be held in a relending account and may be made available for new eligible community or economic development purposes.

''(3) LIMITATIONS ON UNPAID PRINCIPAL BALANCES.—The proceeds of guaranteed bonds or notes under the Program may not be used to pay fees (other than costs of issuance fees), and shall be held in—

''(A) community or economic development loans;

''(B) a relending account, to the extent authorized under paragraph (2); or

''(C) a risk-share pool established under subsection (d).

''(4) REPAYMENT.—If a qualified issuer fails to meet the requirements of paragraph (1) by the end of the 90-day period beginning at the end of the annual measurement period, repayment shall be made on that portion of bonds or notes necessary to bring the bonds or notes that remain outstanding after such repayment into compliance with the 90 percent requirement of paragraph (1).

''(5) PROHIBITED USES.—The Secretary shall, by regulation—

''(A) prohibit, as appropriate, certain uses of amounts from the guarantee of a bond or note under the Program, including the use of such funds for political activities, lobbying, outreach, counseling services, or travel expenses; and

''(B) provide that the guarantee of a bond or note under the Program may not be used for salaries or other administrative costs of—

''(i) the qualified issuer; or

''(ii) any recipient of amounts from the guarantee of a bond or note.

''(d) RISK-SHARE POOL.—Each qualified issuer shall, during the term of a guarantee provided under the Program, establish a risk-share pool, capitalized by contributions from eligible community development financial institution participants an amount equal to 3 percent of the guaranteed amount outstanding on the subject notes and bonds.

''(e) GUARANTEES.—

''(1) IN GENERAL.—A guarantee issued under the Program shall—

''(A) be for the full amount of a bond or note, including the amount of principal, interest, and call premiums;

''(B) be fully assignable and transferable to the capital market, on terms and conditions that are consistent with comparable Government-guaranteed bonds, and satisfactory to the Secretary;

''(C) represent the full faith and credit of the United States; and

''(D) not exceed 30 years.

''(2) LIMITATIONS.—

''(A) ANNUAL NUMBER OF GUARANTEES.—The Secretary shall issue not more than 10 guarantees in any calendar year under the Program.

''(B) GUARANTEE AMOUNT.—The Secretary may not guarantee any amount under the Program equal to less than $100,000,000, but the total of all such guarantees in any fiscal year may not exceed $1,000,000,000.

''(f) SERVICING OF TRANSACTIONS.—

''(1) IN GENERAL.—To maximize efficiencies and minimize cost and interest rates, loans made under this section may be serviced by qualified Program administrators, bond servicers, and a master servicer.

''(2) DUTIES OF PROGRAM ADMINISTRATOR.—The duties of a Program administrator shall include—

''(A) approving and qualifying eligible community development financial institution applications for participation in the Program;

''(B) compliance monitoring;

''(C) bond packaging in connection with the Program; and

''(D) all other duties and related services that are customarily expected of a Program administrator.

''(3) DUTIES OF SERVICER.—The duties of a servicer shall include—

''(A) billing and collecting loan payments;

''(B) initiating collection activities on past-due loans;

''(C) transferring loan payments to the master servicing accounts;

''(D) loan administration and servicing;

''(E) systematic and timely reporting of loan performance through remittance and servicing reports;

''(F) proper measurement of annual outstanding loan requirements; and

''(G) all other duties and related services that are customarily expected of servicers.

''(4) DUTIES OF MASTER SERVICER.—The duties of a master servicer shall include—

''(A) tracking the movement of funds between the accounts of the master servicer and any other servicer;

''(B) ensuring orderly receipt of the monthly remittance and servicing reports of the servicer;

''(C) monitoring the collection comments and foreclosure actions;

''(D) aggregating the reporting and distribution of funds to trustees and investors;

''(E) removing and replacing a servicer, as necessary;

''(F) loan administration and servicing;

''(G) systematic and timely reporting of loan performance compiled from all bond servicers' reports;

''(H) proper distribution of funds to investors; and

''(I) all other duties and related services that are customarily expected of a master servicer.

''(g) FEES.—

''(1) IN GENERAL.—A qualified issuer that receives a guarantee issued under this section on a bond or note shall pay a fee to the Secretary, in an amount equal to 10 basis points of the amount of the unpaid principal of the bond or note guaranteed.

''(2) PAYMENT.—A qualified issuer shall pay the fee required under this subsection on an annual basis.

''(3) USE OF FEES.—Fees collected by the Secretary under this subsection shall be used to reimburse the Department of the Treasury for any administrative costs incurred by the Department in implementing the Program established under this section.

''(h) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Secretary, such sums as are necessary to carry out this section.

''(2) USE OF FEES.—To the extent that the amount of funds appropriated for a fiscal year under paragraph (1) are not sufficient to carry out this section, the Secretary may use the fees collected under subsection (g) for the cost of providing guarantees of bonds and notes under this section.

''(i) INVESTMENT IN GUARANTEED BONDS INELIGIBLE FOR COMMUNITY REINVESTMENT ACT PURPOSES.—Notwithstanding any other provision of law, any investment by a financial institution in bonds or notes guaranteed under the Program shall not be taken into account in assessing the record of such institution for purposes of the Community Reinvestment Act of 1977 (12 U.S.C. 2901).

''(j) ADMINISTRATION.—

''(1) REGULATIONS.—Not later than 1 year after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

''(2) IMPLEMENTATION.—Not later than 2 years after the date of enactment of this section, the Secretary shall implement this section.

''(k) TERMINATION.—This section is repealed, and the authority provided under this section shall terminate, on September 30, 2014.''.

SEC. 1135. TEMPORARY EXPRESS LOAN ENHANCEMENT.

(a) IN GENERAL.—Section 7(a)(31)(D) of the Small Business Act (15 U.S.C. 636(a)(31)(D)) is amended by striking ''$350,000'' and inserting ''$1,000,000''.

(b) PROSPECTIVE REPEAL.—Effective 1 year after the date of enactment of this Act, section 7(a)(31)(D) of the Small Business Act (15 U.S.C. 636(a)(31)(D)) is amended by striking ''$1,000,000'' and inserting ''$350,000''.

SEC. 1136. PROHIBITION ON USING TARP FUNDS OR TAX IN CREASES.

(a) IN GENERAL.—Except as provided in subsection (b), nothing in section 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1122, or 1131, or an amendment made by such sections, shall be construed to limit the ability of Congress to appropriate funds.

(b) TARP FUNDS AND TAX INCREASES.—

(1) IN GENERAL.—Any covered amounts may not be used to carry out section 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1122, or 1131, or an amendment made by such sections.

(2) DEFINITION.—In this subsection, the term ''covered amounts'' means—

(A) the amounts made available to the Secretary of the Treasury under title I of the Emergency Economic Stabilization Act of 2008 S.C. 5201 et seq.) to purchase (under section 101) or guarantee (under section 102) assets under that Act; and

(B) any revenue increase attributable to any amendment to the Internal Revenue Code of 1986 made during the period beginning on the date of enactment of this Act and ending on December 31, 2010.

Subtitle B—Small Business Trade and Exporting

SEC. 1201. SHORT TITLE.

This subtitle may be cited as the ''Small Business Export Enhancement and International Trade Act of 2010''.

SEC. 1202. DEFINITIONS.

(a) DEFINITIONS.—In this subtitle—

(1) the term ''Associate Administrator'' means the Associate Administrator for International Trade appointed under section 22(a)(2) of the Small Business Act, as amended by this subtitle;

(2) the term ''Export Assistance Center'' means a one-stop shop referred to in section 2301(b)(8) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4721(b)(8)); and

(3) the term ''rural small business concern'' means a small business concern located in a rural area, as that term is defined in section 1393(a)(2) of the Internal Revenue Code of 1986.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) DEFINITIONS.—Section 3 of the Small Business Act (15 U.S.C. 632) is amended by adding at the end the following:

''(t) SMALL BUSINESS DEVELOPMENT CENTER.—In this Act, the term 'small business development center' means a small business development center described in section 21.

''(u) REGION OF THE ADMINISTRATION.—In this Act, the term 'region of the Administration' means the geographic area served by a regional office of the Administration established under section 4(a).''.

(2) CONFORMING AMENDMENT.—Section 4(b)(3)(B)(x) of the Small Business Act (15 U.S.C. 633(b)(3)(B)(x)) is amended by striking ''Administration district and region'' and inserting ''district and region of the Administration''.

SEC. 1203. OFFICE OF INTERNATIONAL TRADE.

(a) ESTABLISHMENT.—Section 22 of the Small Business Act (15 U.S.C. 649) is amended—

(1) by striking ''SEC. 22. (a) There'' and inserting the following:

''SEC. 22. OFFICE OF INTERNATIONAL TRADE.

''(a) ESTABLISHMENT.—

''(1) OFFICE.—There''; and

(2) in subsection (a)—

(A) in paragraph (1), as so designated, by striking the period and inserting ''for the primary purposes of increasing—

''(A) the number of small business concerns that export; and

''(B) the volume of exports by small business concerns.''; and

(B) by adding at the end the following:

''(2) ASSOCIATE ADMINISTRATOR.—The head of the Office shall be the Associate Administrator for International Trade, who shall be responsible to the Administrator.''.

(b) AUTHORITY FOR ADDITIONAL ASSOCIATE ADMINISTRATOR.—Section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)) is amended—

(1) in the fifth sentence, by striking ''five Associate Administrators'' and inserting ''Associate Administrators''; and

(2) by adding at the end the following: ''One such Associate Administrator shall be the Associate Administrator for International Trade, who shall be the head of the Office of International Trade established under section 22.''.

(c) DISCHARGE OF INTERNATIONAL TRADE RESPONSIBILITIES OF ADMINISTRATION.—Section 22 of the Small Business Act (15 U.S.C. 649) is amended by adding at the end the following:

''(h) DISCHARGE OF INTERNATIONAL TRADE RESPONSIBILITIES OF ADMINISTRATION.—The Administrator shall ensure that—

''(1) the responsibilities of the Administration regarding international trade are carried out by the Associate Administrator;

''(2) the Associate Administrator has sufficient resources to carry out such responsibilities; and

''(3) the Associate Administrator has direct supervision and control over—

''(A) the staff of the Office; and

''(B) any employee of the Administration whose principal duty station is an Export Assistance Center, or any successor entity.''.

(d) ROLE OF ASSOCIATE ADMINISTRATOR IN CARRYING OUT INTERNATIONAL TRADE POLICY.—Section 2(b)(1) of the Small Business Act (15 U.S.C. 631(b)(1)) is amended in the matter preceding subparagraph (A)—

(1) by inserting ''the Administrator of'' before ''the Small Business Administration''; and

(2) by inserting ''through the Associate Administrator for International Trade, and'' before ''in cooperation with''.

(e) IMPLEMENTATION DATE.—Not later than 90 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall appoint an Associate Administrator for International Trade under section 22(a) of the Small Business Act (15 U.S.C. 649(a)), as added by this section.

SEC. 1204. DUTIES OF THE OFFICE OF INTERNATIONAL TRADE.

(a) AMENDMENTS TO SECTION 22.—Section 22 of the Small Business Act (15 U.S.C. 649) is amended—

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

''(b) TRADE DISTRIBUTION NETWORK.—The Associate Administrator, working in close cooperation with the Secretary of Commerce, the United States Trade Representative, the Secretary of Agriculture, the Secretary of State, the President of the Export-Import Bank of the United States, the President of the Overseas Private Investment Corporation, Director of the United States Trade and Development Agency, and other relevant Federal agencies, small business development centers engaged in export promotion efforts, Export Assistance Centers, regional and district offices of the Administration, the small business community, and relevant State and local export promotion programs, shall—

''(1) maintain a distribution network, using regional and district offices of the Administration, the small business development center network, networks of women's business centers, the Service Corps of Retired Executives authorized by section 8(b)(1), and Export Assistance Centers, for programs relating to—

''(A) trade promotion;

''(B) trade finance;

''(C) trade adjustment assistance;

''(D) trade remedy assistance; and

''(E) trade data collection;

''(2) aggressively market the programs described in paragraph (1) and disseminate information, including computerized marketing data, to small business concerns on exporting trends, market-specific growth, industry trends, and international prospects for exports;

''(3) promote export assistance programs through the district and regional offices of the Administration, the small business development center network, Export Assistance Centers, the network of women's business centers, chapters of the Service Corps of Retired Executives, State and local export promotion programs, and partners in the private sector; and

''(4) give preference in hiring or approving the transfer of any employee into the Office or to a position described in subsection (c)(9) to otherwise qualified applicants who are fluent in a language in addition to English, to—

''(A) accompany small business concerns on foreign trade missions; and

''(B) translate documents, interpret conversations, and facilitate multilingual transactions, including by providing referral lists for translation services, if required.'';

(2) in subsection (c)—

(A) by striking ''(c) The Office'' and inserting the following:

''(c) PROMOTION OF SALES OPPORTUNITIES.—The Associate Administrator'';

(B) by redesignating paragraphs (1) through (8) as paragraphs (2) through (9), respectively;

(C) by inserting before paragraph (2), as so redesignated, the following:

''(1) establish annual goals for the Office relating to—

''(A) enhancing the exporting capability of small business concerns and small manufacturers;

''(B) facilitating technology transfers;

''(C) enhancing programs and services to assist small business concerns and small manufacturers to compete effectively and efficiently against foreign entities;

''(D) increasing the ability of small business concerns to access capital; and

''(E) disseminating information concerning Federal, State, and private programs and initiatives;'';

(D) in paragraph (2), as so redesignated, by striking ''mechanism for'' and all that follows through ''(D) assisting'' and inserting the following: ''mechanism for—

''(A) identifying subsectors of the small business community with strong export potential;

''(B) identifying areas of demand in foreign markets;

''(C) prescreening foreign buyers for commercial and credit purposes; and

''(D) assisting'';

(E) in paragraph (3), as so redesignated, by striking ''assist small businesses in the formation and utilization of'' and inserting ''assist small business concerns in forming and using'';

(F) in paragraph (4), as so redesignated—

(i) by striking ''local'' and inserting ''district'';

(ii) by striking ''existing'';

(iii) by striking ''Small Business Development Center network'' and inserting ''small business development center network''; and

(iv) by striking ''Small Business Development Center Program'' and inserting ''small business development center program'';

(G) in paragraph (5), as so redesignated—

(i) in subparagraph (A), by striking ''Gross State Produce'' and inserting ''Gross State Product'';

(ii) in subparagraph (B), by striking ''SIC'' each place it appears and inserting ''North American Industry Classification System''; and

(iii) in subparagraph (C), by striking ''small businesses'' and inserting ''small business concerns'';

(H) in paragraph (6), as so redesignated, by striking the period at the end and inserting a semicolon;

(I) in paragraph (7), as so redesignated—

(i) in the matter preceding subparagraph (A)—

(I) by inserting ''concerns'' after ''small business''; and

(II) by striking ''current'' and inserting ''up to date'';

(ii) in subparagraph (A), by striking ''Administration's regional offices'' and inserting ''regional and district offices of the Administration'';

(iii) in subparagraph (B) by striking ''current'';

(iv) in subparagraph (C), by striking ''current''; and

(v) by striking ''small businesses'' each place that term appears and inserting ''small business concerns'';

(J) in paragraph (8), as so redesignated, by striking and at the end;

(K) in paragraph (9), as so redesignated—

(i) in the matter preceding subparagraph (A)—

(I) by striking ''full-time export development specialists to each Administration regional office and assigning''; and

(II) by striking ''person in each district office. Such specialists'' and inserting ''individual in each district office and providing each Administration regional office with a full-time export development specialist, who'';

(ii) in subparagraph (B)—

(I) by striking ''current''; and

(II) by striking ''with'' and inserting ''in'';

(iii) in subparagraph (D)—

(I) by striking ''Administration personnel involved in granting'' and inserting ''personnel of the Administration involved in making''; and

(II) by striking ''and'' at the end;

(iv) in subparagraph (E)—

(I) by striking ''small businesses' needs'' and inserting ''the needs of small business concerns''; and

(II) by striking the period at the end and inserting a semicolon;

(v) by adding at the end the following:

''(F) participate, jointly with employees of the Office, in an annual training program that focuses on current small business needs for exporting; and

''(G) develop and conduct training programs for exporters and lenders, in cooperation with the Export Assistance Centers, the Department of Commerce, the Department of Agriculture, small business development centers, women's business centers, the Export-Import Bank of the United States, the Overseas Private Investment Corporation, and other relevant Federal agencies;''; and

(vi) by striking ''small businesses'' each place that term appears and inserting ''small business concerns''; and

(L) by adding at the end the following:

''(10) make available on the website of the Administration the name and contact information of each individual described in paragraph (9);

''(11) carry out a nationwide marketing effort using technology, online resources, training, and other strategies to promote exporting as a business development opportunity for small business concerns;

''(12) disseminate information to the small business community through regional and district offices of the Administration, the small business development center network, Export Assistance Centers, the network of women's business centers, chapters of the Service Corps of Retired Executives authorized by section 8(b)(1), State and local export promotion programs, and partners in the private sector regarding exporting trends, market-specific growth, industry trends, and prospects for exporting; and

''(13) establish and carry out training programs for the staff of the regional and district offices of the Administration and resource partners of the Administration on export promotion and providing assistance relating to exports.'';

(3) in subsection (d)—

(A) by redesignating paragraphs (1) through (5) as clauses (i) through (v), respectively, and adjusting the margins accordingly;

(B) by striking ''(d) The Office'' and inserting the following:

''(d) EXPORT FINANCING PROGRAMS.—

''(1) IN GENERAL.—The Associate Administrator''; and

(C) by striking ''To accomplish this goal, the Office shall work'' and inserting the following:

''(2) TRADE FINANCE SPECIALIST.—To accomplish the goal established under paragraph (1), the Associate Administrator shall—

''(A) designate at least 1 individual within the Administration as a trade finance specialist to oversee international loan programs and assist Administration employees with trade finance issues; and

''(B) work'';

(4) in subsection (e), by striking ''(e) The Office'' and inserting the following:

''(e) TRADE REMEDIES.—The Associate Administrator'';

(5) by amending subsection (f) to read as follows:

''(f) REPORTING REQUIREMENT.—The Associate Administrator shall submit an annual report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives that contains—

''(1) a description of the progress of the Office in implementing the requirements of this section;

''(2) a detailed account of the results of export growth activities of the Administration, including the activities of each district and regional office of the Administration, based on the performance measures described in subsection (i);

''(3) an estimate of the total number of jobs created or retained as a result of export assistance provided by the Administration and resource partners of the Administration;

''(4) for any travel by the staff of the Office, the destination of such travel and the benefits to the Administration and to small business concerns resulting from such travel; and

''(5) a description of the participation by the Office in trade negotiations.'';

(6) in subsection (g), by striking ''(g) The Office'' and inserting the following:

''(g) STUDIES.—The Associate Administrator''; and

(7) by adding after subsection (h), as added by section 1203 of this subtitle, the following:

''(i) EXPORT AND TRADE COUNSELING.—

''(1) DEFINITION.—In this subsection—

''(A) the term 'lead small business development center' means a small business development center that has received a grant from the Administration; and

''(B) the term 'lead women's business center' means a women's business center that has received a grant from the Administration.

''(2) CERTIFICATION PROGRAM.—The Administrator shall establish an export and trade counseling certification program to certify employees of lead small business development centers and lead women's business centers in providing export assistance to small business concerns.

''(3) NUMBER OF CERTIFIED EMPLOYEES.—The Administrator shall ensure that the number of employees of each lead small business development center who are certified in providing export assistance is not less than the lesser of—

''(A) 5; or

''(B) 10 percent of the total number of employees of the lead small business development center.

''(4) REIMBURSEMENT FOR CERTIFICATION.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Administrator shall reimburse a lead small business development center or a lead women's business center for costs relating to the certification of an employee of the lead small business center or lead women's business center in providing export assistance under the program established under paragraph (2).

''(B) LIMITATION.—The total amount reimbursed by the Administrator under subparagraph (A) may not exceed $350,000 in any fiscal year.

''(j) PERFORMANCE MEASURES.—

''(1) IN GENERAL.—The Associate Administrator shall develop performance measures for the Administration to support export growth goals for the activities of the Office under this section that include—

''(A) the number of small business concerns that—

''(i) receive assistance from the Administration;

''(ii) had not exported goods or services before receiving the assistance described in clause (i); and

''(iii) export goods or services;

''(B) the number of small business concerns receiving assistance from the Administration that export goods or services to a market outside the United States into which the small business concern did not export before receiving the assistance;

''(C) export revenues by small business concerns assisted by programs of the Administration;

''(D) the number of small business concerns referred to an Export Assistance Center or a small business development center by the staff of the Office;

''(E) the number of small business concerns referred to the Administration by an Export Assistance Center or a small business development center; and

''(F) the number of small business concerns referred to the Department of Commerce, the Department of Agriculture, the Department of State, the Export-Import Bank of the United States, the Overseas Private Investment Corporation, or the United States

Trade and Development Agency by the staff of the Office, an Export Assistance Center, or a small business development center.

''(2) JOINT PERFORMANCE MEASURES.—The Associate Administrator shall develop joint performance measures for the district offices of the Administration and the Export Assistance Centers that include the number of export loans made under—

''(A) section 7(a)(16);

''(B) the Export Working Capital Program established under section 7(a)(14);

''(C) the Preferred Lenders Program, as defined in section 7(a)(2)(C)(ii); and

''(D) the export express program established under section 7(a)(34).

''(3) CONSISTENCY OF TRACKING.—The Associate Administrator, in coordination with the departments and agencies that are represented on the Trade Promotion Coordinating Committee established under section 2312 of the Export Enhancement Act of 1988 (15 U.S.C. 4727) and the small business development center network, shall develop a system to track exports by small business concerns, including information relating to the performance measures developed under paragraph (1), that is consistent with systems used by the departments and agencies and the network.''.

(b) REPORT.—Not later than 60 days after the date of enactment of this Act, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives on any travel by the staff of the Office of International Trade of the Administration, during the period beginning on October 1, 2004, and ending on the date of enactment of the Act, including the destination of such travel and the benefits to the Administration and to small business concerns resulting from such travel.

SEC. 1205. EXPORT ASSISTANCE CENTERS.

(a) EXPORT ASSISTANCE CENTERS.—Section 22 of the Small Business Act (15 U.S.C. 649), as amended by this subtitle, is amended by adding at the end the following:

''(k) EXPORT ASSISTANCE CENTERS.—

''(1) EXPORT FINANCE SPECIALISTS.—

''(A) MINIMUM NUMBER OF EXPORT FINANCE SPECIALISTS.—On and after the date that is 90 days after the date of enactment of this subsection, the Administrator, in coordination with the Secretary of Commerce, shall ensure that the number of export finance specialists is not less than the number of such employees so assigned on January 1, 2003.

''(B) EXPORT FINANCE SPECIALISTS ASSIGNED TO EACH REGION OF THE ADMINISTRATION.—On and after the date that is 2 years after the date of enactment of this subsection, the Administrator, in coordination with the Secretary of Commerce, shall ensure that there are not fewer than 3 export finance specialists in each region of the Administration.

''(2) PLACEMENT OF EXPORT FINANCE SPECIALISTS.—

''(A) PRIORITY.—The Administrator shall give priority, to the maximum extent practicable, to placing employees of the Administration at any Export Assistance Center that—

''(i) had an Administration employee assigned to the Export Assistance Center before January 2003; and

''(ii) has not had an Administration employee assigned to the Export Assistance Center during the period beginning January 2003, and ending on the date of enactment of this subsection, either through retirement or reassignment.

''(B) NEEDS OF EXPORTERS.—The Administrator shall, to the maximum extent practicable, strategically assign Administration employees to Export Assistance Centers, based on the needs of exporters.

''(C) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to require the Administrator to reassign or remove an export finance specialist who is assigned to an Export Assistance Center on the date of enactment of this subsection.

''(3) GOALS.—The Associate Administrator shall work with the Department of Commerce, the Export-Import Bank of the United States, and the Overseas Private Investment Corporation to establish shared annual goals for the Export Assistance Centers.

''(4) OVERSIGHT.—The Associate Administrator shall designate an individual within the Administration to oversee all activities conducted by Administration employees assigned to Export Assistance Centers.

''(l) DEFINITIONS.—In this section—

''(1) the term 'Associate Administrator' means the Associate Administrator for International Trade described in subsection (a)(2);

''(2) the term 'Export Assistance Center' means a one-stop shop for United States exporters established by the United States and Foreign Commercial Service of the Department of Commerce pursuant to section 2301(b)(8) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4721(b)(8));

''(3) the term 'export finance specialist' means a full-time equivalent employee of the Office assigned to an Export Assistance Center to carry out the duties described in subsection (e); and

''(4) the term 'Office' means the Office of International Trade established under subsection (a)(1).''.

(b) STUDY AND REPORT ON FILLING GAPS IN HIGH-AND-LOW-EXPORT VOLUME AREAS.—

(1) STUDY AND REPORT.—Not later than 6 months after the date of enactment of this Act, and every 2 years thereafter, the Administrator shall—

(A) conduct a study of—

(i) the volume of exports for each State;

(ii) the availability of export finance specialists in each State;

(iii) the number of exporters in each State that are small business concerns;

(iv) the percentage of exporters in each State that are small business concerns;

(v) the change, if any, in the number of exporters that are small business concerns in each State—

(I) for the first study conducted under this subparagraph, during the 10-year period ending on the date of enactment of this Act; and

(II) for each subsequent study, during the 10-year period ending on the date the study is commenced;

(vi) the total value of the exports in each State by small business concerns;

(vii) the percentage of the total volume of exports in each State that is attributable to small business concerns; and

(viii) the change, if any, in the percentage of the total volume of exports in each State that is attributable to small business concerns—

(I) for the first study conducted under this subparagraph, during the 10-year period ending on the date of enactment of this Act; and

(II) for each subsequent study, during the 10-year period ending on the date the study is commenced; and

(B) submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report containing—

(i) the results of the study under subparagraph (A);

(ii) to the extent practicable, a recommendation regarding how to eliminate gaps between the supply of and demand for export finance specialists in the 15 States that have the greatest volume of exports, based upon the most recent data available from the Department of Commerce;

(iii) to the extent practicable, a recommendation regarding how to eliminate gaps between the supply of and demand for export finance specialists in the 15 States that have the lowest volume of exports, based upon the most recent data available from the Department of Commerce; and

(iv) such additional information as the Administrator determines is appropriate.

(2) DEFINITION.—In this subsection, the term ''export finance specialist'' has the meaning given that term in section 22(l) of the Small Business Act, as added by this title.

SEC. 1206. INTERNATIONAL TRADE FINANCE PROGRAMS.

(a) LOAN LIMITS.—

(1) TOTAL AMOUNT OUTSTANDING.—Section 7(a)(3)(B) of the Small Business Act (15 U.S.C. 636(a)(3)(B)) is amended by striking ''$1,750,000, of which not more than $1,250,000'' and inserting ''$4,500,000 (or if the gross loan amount would exceed $5,000,000), of which not more than $4,000,000''.

(2) PARTICIPATION.—Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended—

(A) in subparagraph (A), in the matter preceding clause (i), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B), (D), and (E)'';

(B) in subparagraph (D), by striking ''Notwithstanding subparagraph (A), in'' and inserting ''In''; and

(C) by adding at the end the following:

''(E) PARTICIPATION IN INTERNATIONAL TRADE LOAN.—In an agreement to participate in a loan on a deferred basis under paragraph (16), the participation by the Administration may not exceed 90 percent.''.

(b) WORKING CAPITAL.—Section 7(a)(16)(A) of the Small Business Act (15 U.S.C. 636(a)(16)(A)) is amended—

(1) in the matter preceding clause (i), by striking ''in—'' and inserting ''—'';

(2) in clause (i)—

(A) by inserting ''in'' after ''(i)''; and

(B) by striking ''or'' at the end;

(3) in clause (ii)—

(A) by inserting ''in'' after ''(ii)''; and

(B) by striking the period at the end and inserting '', including any debt that qualifies for refinancing under any other provision of this subsection; or''; and

(4) by adding at the end the following:

''(iii) by providing working capital.''.

(c) COLLATERAL.—Section 7(a)(16)(B) of the Small Business Act (15 U.S.C. 636(a)(16)(B)) is amended—

(1) by striking ''Each loan'' and inserting the following:

''(i) IN GENERAL.—Except as provided in clause (ii), each loan''; and

(2) by adding at the end the following:

''(ii) EXCEPTION.—A loan under this paragraph may be secured by a second lien position on the property or equipment financed by the loan or on other assets of the small business concern, if the Administrator determines the lien provides adequate assurance of the payment of the loan.''.

(d) EXPORT WORKING CAPITAL PROGRAM.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) in paragraph (2)(D), by striking ''not exceed'' and inserting ''be''; and

(2) in paragraph (14)—

(A) by striking ''(A) The Administration'' and inserting the following: ''EXPORT WORKING CAPITAL PROGRAM.—

''(A) IN GENERAL.—The Administrator'';

(B) by striking ''(B) When considering'' and inserting the following:

''(C) CONSIDERATIONS.—When considering'';

(C) by striking ''(C) The Administration'' and inserting the following:

''(D) MARKETING.—The Administrator''; and

(D) by inserting after subparagraph (A) the following:

''(B) TERMS.—

''(i) LOAN AMOUNT.—The Administrator may not guarantee a loan under this paragraph of more than $5,000,000.

''(ii) FEES.—

''(I) IN GENERAL.—For a loan under this paragraph, the Administrator shall collect the fee assessed under paragraph (23) not more frequently than once each year.

''(II) UNTAPPED CREDIT.—The Administrator may not assess a fee on capital that is not accessed by the small business concern.''.

(e) PARTICIPATION IN PREFERRED LENDERS PROGRAM.—Section 7(a)(2)(C) of the Small Business Act (15 U.S.C. 636(a)(2)(C)) is amended—

(1) by redesignating clause (ii) as clause (iii); and

(2) by inserting after clause (i) the following:

''(ii) EXPORT-IMPORT BANK LENDERS.—Any lender that is participating in the Delegated Authority Lender Program of the Export-Import Bank of the United States (or any successor to the Program) shall be eligible to participate in the Preferred Lenders Program.''.

(f) EXPORT EXPRESS PROGRAM.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

''(35) EXPORT EXPRESS PROGRAM.—

''(A) DEFINITIONS.—In this paragraph—

''(i) the term 'export development activity' includes—

''(I) obtaining a standby letter of credit when required as a bid bond, performance bond, or advance payment guarantee;

''(II) participation in a trade show that takes place outside the United States;

''(III) translation of product brochures or catalogues for use in markets outside the United States;

''(IV) obtaining a general line of credit for export purposes;

''(V) performing a service contract from buyers located outside the United States;

''(VI) obtaining transaction-specific financing associated with completing export orders;

''(VII) purchasing real estate or equipment to be used in the production of goods or services for export;

''(VIII) providing term loans or other financing to enable a small business concern, including an export trading company and an export management company, to develop a market outside the United States; and

''(IX) acquiring, constructing, renovating, modernizing, improving, or expanding a production facility or equipment to be used in the United States in the production of goods or services for export; and

''(ii) the term 'express loan' means a loan in which a lender uses to the maximum extent practicable the loan analyses, procedures, and documentation of the lender to provide expedited processing of the loan application.

''(B) AUTHORITY.—The Administrator may guarantee the timely payment of an express loan to a small business concern made for an export development activity.

''(C) LEVEL OF PARTICIPATION.—

''(i) MAXIMUM AMOUNT.—The maximum amount of an express loan guaranteed under this paragraph shall be $500,000.

''(ii) PERCENTAGE.—For an express loan guaranteed under this paragraph, the Administrator shall guarantee—

''(I) 90 percent of a loan that is not more than $350,000; and

''(II) 75 percent of a loan that is more than $350,000 and not more than $500,000.''.

(g) ANNUAL LISTING OF EXPORT FINANCE LENDERS.—Section 7(a)(16) of the Small Business Act (15 U.S.C. 636(a)(16)) is amended by adding at the end the following:

''(F) LIST OF EXPORT FINANCE LENDERS.—

''(i) PUBLICATION OF LIST REQUIRED.—The Administrator shall publish an annual list of the banks and participating lending institutions that, during the 1-year period ending on the date of publication of the list, have made loans guaranteed by the Administration under—

''(I) this paragraph;

''(II) paragraph (14); or

''(III) paragraph (34).

''(ii) AVAILABILITY OF LIST.—The Administrator shall—

''(I) post the list published under clause (i) on the website of the Administration; and

''(II) make the list published under clause (i) available, upon request, at each district office of the Administration.''.

(h) APPLICABILITY.—The amendments made by subsections (a) through (f) shall apply with respect to any loan made after the date of enactment of this Act.

SEC. 1207. STATE TRADE AND EXPORT PROMOTION GRANT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term ''eligible small business concern'' means a small business concern that—

(A) has been in business for not less than the 1-year period ending on the date on which assistance is provided using a grant under this section;

(B) is operating profitably, based on operations in the United States;

(C) has demonstrated understanding of the costs associated with exporting and doing business with foreign purchasers, including the costs of freight forwarding, customs brokers, packing and shipping, as determined by the Associate Administrator; and

(D) has in effect a strategic plan for exporting;

(2) the term ''program'' means the State Trade and Export Promotion Grant Program established under subsection (b);

(3) the term ''small business concern owned and controlled by women'' has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 632);

(4) the term ''socially and economically disadvantaged small business concern'' has the meaning given that term in section 8(a)(4)(A) of the Small Business Act (15 U.S.C. 6537(a)(4)(A)); and

(5) the term ''State'' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(b) ESTABLISHMENT OF PROGRAM.—The Associate Administrator shall establish a 3-year trade and export promotion pilot program to be known as the State Trade and Export Promotion Grant Program, to make grants to States to carry out export programs that assist eligible small business concerns in—

(1) participation in a foreign trade mission;

(2) a foreign market sales trip;

(3) a subscription to services provided by the Department of Commerce;

(4) the payment of website translation fees;

(5) the design of international marketing media;

(6) a trade show exhibition;

(7) participation in training workshops; or

(8) any other export initiative determined appropriate by the Associate Administrator.

(c) GRANTS.—

(1) JOINT REVIEW.—In carrying out the program, the Associate Administrator may make a grant to a State to increase the number of eligible small business concerns in the State that export or to increase the value of the exports by eligible small business concerns in the State.

(2) CONSIDERATIONS.—In making grants under this section, the Associate Administrator may give priority to an application by a State that proposes a program that—

(A) focuses on eligible small business concerns as part of an export promotion program;

(B) demonstrates success in promoting exports by—

(i) socially and economically disadvantaged small business concerns;

(ii) small business concerns owned or controlled by women; and

(iii) rural small business concerns;

(C) promotes exports from a State that is not 1 of the 10 States with the highest percentage of exporters that are small business concerns, based upon the latest data available from the Department of Commerce; and

(D) promotes new-to-market export opportunities to the People's Republic of China for eligible small business concerns in the United States.

(3) LIMITATIONS.—

(A) SINGLE APPLICATION.—A State may not submit more than 1 application for a grant under the program in any 1 fiscal year.

(B) PROPORTION OF AMOUNTS.—The total value of grants under the program made during a fiscal year to the 10 States with the highest number of exporters that are small business concerns, based upon the latest data available from the Department of Commerce, shall be not more than 40 percent of the amounts appropriated for the program for that fiscal year.

(4) APPLICATION.—A State desiring a grant under the program shall submit an application at such time, in such manner, and accompanied by such information as the Associate Administrator may establish.

(d) COMPETITIVE BASIS.—The Associate Administrator shall award grants under the program on a competitive basis.

(e) FEDERAL SHARE.—The Federal share of the cost of an export program carried out using a grant under the program shall be—

(1) for a State that has a high export volume, as determined by the Associate Administrator, not more than 65 percent; and

(2) for a State that does not have a high export volume, as determined by the Associate Administrator, not more than 75 percent.

(f) NON-FEDERAL SHARE.—The non-Federal share of the cost of an export program carried using a grant under the program shall be comprised of not less than 50 percent cash and not more than 50 percent of indirect costs and in-kind contributions, except that no such costs or contributions may be derived from funds from any other Federal program.

(g) REPORTS.—

(1) INITIAL REPORT.—Not later than 120 days after the date of enactment of this Act, the Associate Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report, which shall include—

(A) a description of the structure of and procedures for the program;

(B) a management plan for the program; and

(C) a description of the merit-based review process to be used in the program.

(2) ANNUAL REPORTS.—The Associate Administrator shall submit an annual report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives regarding the program, which shall include—

(A) the number and amount of grants made under the program during the preceding year;

(B) a list of the States receiving a grant under the program during the preceding year, including the activities being performed with grant; and

(C) the effect of each grant on exports by eligible small business concerns in the State receiving the grant.

(h) REVIEWS BY INSPECTOR GENERAL.—

(1) IN GENERAL.—The Inspector General of the Administration shall conduct a review of—

(A) the extent to which recipients of grants under the program are measuring the performance of the activities being conducted and the results of the measurements; and

(B) the overall management and effectiveness of the program.

(2) REPORT.—Not later than September 30, 2012, the Inspector General of the Administration shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding the review conducted under paragraph (1).

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the program $30,000,000 for each of fiscal years 2011, 2012, and 2013.

(j) TERMINATION.—The authority to carry out the program shall terminate 3 years after the date on which the Associate Administrator establishes the program.

SEC. 1208. RURAL EXPORT PROMOTION.

Not later than 6 months after the date of enactment of this Act, the Administrator, in consultation with the Secretary of Agriculture and the Secretary of Commerce, shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report that contains—

(1) a description of each program of the Administration that promotes exports by rural small business concerns, including—

(A) the number of rural small business concerns served by the program;

(B) the change, if any, in the number of rural small business concerns as a result of participation in the program during the 10-year period ending on the date of enactment of this Act;

(C) the volume of exports by rural small business concerns that participate in the program; and

(D) the change, if any, in the volume of exports by rural small businesses that participate in the program during the 10-year period ending on the date of enactment of this Act;

(2) a description of the coordination between programs of the Administration and other Federal programs that promote exports by rural small business concerns;

(3) recommendations, if any, for improving the coordination described in paragraph (2);

(4) a description of any plan by the Administration to market the international trade financing programs of the Administration through lenders that—

(A) serve rural small business concerns; and

(B) are associated with financing programs of the Department of Agriculture;

(5) recommendations, if any, for improving coordination between the counseling programs and export financing programs of the Administration, in order to increase the volume of exports by rural small business concerns; and

(6) any additional information the Administrator determines is necessary.

SEC. 1209. INTERNATIONAL TRADE COOPERATION BY SMALL BUSINESS DEVELOPMENT CENTERS.

Section 21(a) of the Small Business Act (15 U.S.C. 648(a)) is amended—

(1) by striking ''(2) The Small Business Development Centers'' and inserting the following:

''(2) COOPERATION TO PROVIDE INTERNATIONAL TRADE SERVICES.—

''(A) INFORMATION AND SERVICES.—The small business development centers''; and

(2) in paragraph (2)—

(A) in subparagraph (A), as so designated, by inserting ''(including State trade agencies),'' after ''local agencies''; and

(B) by adding at the end the following:

''(B) COOPERATION WITH STATE TRADE AGENCIES AND EXPORT ASSISTANCE CENTERS.—A small business development center that counsels a small business concern on issues relating to international trade shall—

''(i) consult with State trade agencies and Export Assistance Centers to provide appropriate services to the small business concern; and

''(ii) as necessary, refer the small business concern to a State trade agency or an Export Assistance Center for further counseling or assistance.

''(C) DEFINITION.—In this paragraph, the term 'Export Assistance Center' has the same meaning as in section 22.''.

Subtitle C—Small Business Contracting

PART I—CONTRACT BUNDLING

SEC. 1311. SMALL BUSINESS ACT.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1202, is amended by adding at the end the following:

''(v) MULTIPLE AWARD CONTRACT.—In this Act, the term 'multiple award contract' means—

''(1) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

''(2) any other indefinite delivery, indefinite quantity contract that is entered into by the head of a Federal agency with 2 or more sources pursuant to the same solicitation.''.

SEC. 1312. LEADERSHIP AND OVERSIGHT.

(a) IN GENERAL.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended by adding at the end the following:

''(q) BUNDLING ACCOUNTABILITY MEASURES.—

''(1) TEAMING REQUIREMENTS.—Each Federal agency shall include in each solicitation for any multiple award contract above the substantial bundling threshold of the Federal agency a provision soliciting bids from any responsible source, including responsible small business concerns and teams or joint ventures of small business concerns.

''(2) POLICIES ON REDUCTION OF CONTRACT BUNDLING.—

''(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Federal Acquisition Regulatory Council established under section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 4219(a)) shall amend the Federal Acquisition Regulation issued under section 25 of such Act to—

''(i) establish a Government-wide policy regarding contract bundling, including regarding the solicitation of teaming and joint ventures under paragraph (1); and

''(ii) require that the policy established under clause (i) be published on the website of each Federal agency.

''(B) RATIONALE FOR CONTRACT BUNDLING.—Not later than 30 days after the date on which the head of a Federal agency submits data certifications to the Administrator for Federal Procurement Policy, the head of the Federal agency shall publish on the website of the Federal agency a list and rationale for any bundled contract for which the Federal agency solicited bids or that was awarded by the Federal agency.

''(3) REPORTING.—Not later than 90 days after the date of enactment of this subsection, and every 3 years thereafter, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding procurement center representatives and commercial market representatives, which shall—

''(A) identify each area for which the Administration has assigned a procurement center representative or a commercial market representative;

''(B) explain why the Administration selected the areas identified under subparagraph (A); and

''(C) describe the activities performed by procurement center representatives and commercial market representatives.''.

(b) TECHNICAL CORRECTION.—Section 15(g) of the Small Business Act (15 U.S.C. 644(g)) is amended by striking ''Administrator of the Office of Federal Procurement Policy'' each place it appears and inserting ''Administrator for Federal Procurement Policy''.

(c) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report regarding the procurement center representative program of the Administration.

(2) CONTENTS.—The report submitted under paragraph (1) shall—

(A) address ways to improve the effectiveness of the procurement center representative program in helping small business concerns obtain Federal contracts;

(B) evaluate the effectiveness of procurement center representatives and commercial marketing representatives; and

(C) include recommendations, if any, on how to improve the procurement center representative program.

(d) ELECTRONIC PROCUREMENT CENTER REPRESENTATIVE.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator shall implement a 3-year pilot electronic procurement center representative program.

(2) REPORT.—Not later than 30 days after the pilot program under paragraph (1) ends, the Comptroller General of the United States shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding the pilot program.

SEC. 1313. CONSOLIDATION OF CONTRACT REQUIREMENTS.

(a) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 44 as section 45; and

(2) by inserting after section 43 the following:

''SEC. 44. CONSOLIDATION OF CONTRACT REQUIREMENTS.

''(a) DEFINITIONS.—In this section—

''(1) the term 'Chief Acquisition Officer' means the employee of a Federal agency designated as the Chief Acquisition Officer for the Federal agency under section 16(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(a));

''(2) the term 'consolidation of contract requirements', with respect to contract requirements of a Federal agency, means a use

of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy 2 or more requirements of the Federal agency for goods or services that have been provided to or performed for the Federal agency under 2 or more separate contracts lower in cost than the total cost of the contract for which the offers are solicited; and

''(3) the term 'senior procurement executive' means an official designated under section 16(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(c)) as the senior procurement executive for a Federal agency.

''(b) POLICY.—The head of each Federal agency shall ensure that the decisions made by the Federal agency regarding consolidation of contract requirements of the Federal agency are made with a view to providing small business concerns with appropriate opportunities to participate as prime contractors and subcontractors in the procurements of the Federal agency.

''(c) LIMITATION ON USE OF ACQUISITION STRATEGIES INVOLVING CONSOLIDATION.—

''(1) IN GENERAL.—Subject to paragraph (4), the head of a Federal agency may not carry out an acquisition strategy that includes a consolidation of contract requirements of the Federal agency with a total value of more than $2,000,000, unless the senior procurement executive or Chief Acquisition Officer for the Federal agency, before carrying out the acquisition strategy—

''(A) conducts market research;

''(B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements;

''(C) makes a written determination that the consolidation of contract requirements is necessary and justified;

''(D) identifies any negative impact by the acquisition strategy on contracting with small business concerns; and

''(E) certifies to the head of the Federal agency that steps will be taken to include small business concerns in the acquisition strategy.

''(2) DETERMINATION THAT CONSOLIDATION IS NECESSARY AND JUSTIFIED.—

''(A) IN GENERAL.—A senior procurement executive or Chief Acquisition Officer may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for the purposes of paragraph (1)(C) if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contracting approaches identified under paragraph (1)(B).

''(B) SAVINGS IN ADMINISTRATIVE OR PERSONNEL COSTS.—For purposes of subparagraph (A), savings in administrative or personnel costs alone do not constitute a sufficient justification for a consolidation of contract requirements in a procurement unless the expected total amount of the cost savings, as determined by the senior procurement executive or Chief Acquisition Officer, is expected to be substantial in relation to the total cost of the procurement.

''(3) BENEFITS TO BE CONSIDERED.—The benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts—

''(A) quality;

''(B) acquisition cycle;

''(C) terms and conditions; and

''(D) any other benefit.

''(4) DEPARTMENT OF DEFENSE.—

''(A) IN GENERAL.—The Department of Defense and each military department shall comply with this section until after the date described in subparagraph (C).

''(B) RULE.—After the date described in subparagraph (C), contracting by the Department of Defense or a military department shall be conducted in accordance with section 2382 of title 10, United States Code.

''(C) DATE.—The date described in this subparagraph is the date on which the Administrator determines the Department of Defense or a military department is in compliance with the Government-wide contracting goals under section 15.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 2382(b)(1) of title 10, United States Code, is amended by striking ''An official'' and inserting ''Subject to section 44(c)(4), an official''.

SEC. 1314. SMALL BUSINESS TEAMS PILOT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term ''Pilot Program'' means the Small Business Teaming Pilot Program established under subsection (b); and

(2) the term ''eligible organization'' means a well-established national organization for small business concerns with the capacity to provide assistance to small business concerns (which may be provided with the assistance of the Administrator) relating to—

(A) customer relations and outreach;

(B) team relations and outreach; and

(C) performance measurement and quality assurance.

(b) ESTABLISHMENT.—The Administrator shall establish a Small Business Teaming Pilot Program for teaming and joint ventures involving small business concerns.

(c) GRANTS.—Under the Pilot Program, the Administrator may make grants to eligible organizations to provide assistance and guidance to teams of small business concerns seeking to compete for larger procurement contracts.

(d) CONTRACTING OPPORTUNITIES.—The Administrator shall work with eligible organizations receiving a grant under the Pilot Program to recommend appropriate contracting opportunities for teams or joint ventures of small business concerns.

(e) REPORT.—Not later than 1 year before the date on which the authority to carry out the Pilot Program terminates under subsection (f), the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the effectiveness of the Pilot Program.

(f) TERMINATION.—The authority to carry out the Pilot Program shall terminate 5 years after the date of enactment of this Act.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under subsection (c) $5,000,000 for each of fiscal years 2010 through 2015.

PART II—SUBCONTRACTING INTEGRITY

SEC. 1321. SUBCONTRACTING MISREPRESENTATIONS.

Not later than 1 year after the date of enactment of this Act, the Administrator, in consultation with the Administrator for Federal Procurement Policy, shall promulgate regulations relating to, and the Federal Acquisition Regulatory Council established under section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)) shall amend the Federal Acquisition Regulation issued under section 25 of such Act to establish a policy on, subcontracting compliance relating to small business concerns, including assignment of compliance responsibilities between contracting offices, small business offices, and program offices and periodic oversight and review activities.

SEC. 1322. SMALL BUSINESS SUBCONTRACTING IMPROVEMENTS.

Section 8(d)(6) of the Small Business Act (15 U.S.C. 637(d)(6)) is amended—

(1) in subparagraph (E), by striking ''and'' at the end;

(2) in subparagraph (F), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end, the following:

''(G) a representation that the offeror or bidder will—

''(i) make a good faith effort to acquire articles, equipment, supplies, services, or materials, or obtain the performance of construction work from the small business concerns used in preparing and submitting to the contracting agency the bid or proposal, in the same amount and quality used in preparing and submitting the bid or proposal; and

''(ii) provide to the contracting officer a written explanation if the offeror or bidder fails to acquire articles, equipment, supplies, services, or materials or obtain the performance of construction work as described in clause (i).''.

PART III—ACQUISITION PROCESS

SEC. 1331. RESERVATION OF PRIME CONTRACT AWARDS FOR SMALL BUSINESSES.

Section 15 of the Small Business Act (15 U.S.C. 644), as amended by this Act, is amended by adding at the end the following:

''(r) MULTIPLE AWARD CONTRACTS.—Not later than 1 year after the date of enactment of this subsection, the Administrator for Federal Procurement Policy and the Administrator, in consultation with the Administrator of General Services, shall, by regulation, establish guidance under which Federal agencies may, at their discretion—

''(1) set aside part or parts of a multiple award contract for small business concerns, including the subcategories of small business concerns identified in subsection (g)(2);

''(2) notwithstanding the fair opportunity requirements under section 2304c(b) of title 10, United States Code, and section 303J(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253j(b)), set aside orders placed against multiple award contracts for small business concerns, including the subcategories of small business concerns identified in subsection (g)(2); and

''(3) reserve 1 or more contract awards for small business concerns under full and open multiple award procurements, including the subcategories of small business concerns identified in subsection (g)(2).''.

SEC. 1332. MICRO-PURCHASE GUIDELINES.

Not later than 1 year after the date of enactment of this Act, the Director of the Office of Management and Budget, in coordination with the Administrator of General Services, shall issue guidelines regarding the analysis of purchase card expenditures to identify opportunities for achieving and accurately measuring fair participation of small business concerns in purchases in an amount not in excess of the micro-purchase threshold, as defined in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) (in this section referred to as ''micro-purchases''), consistent with the national policy on small business participation in Federal procurements set forth in sections 2(a) and 15(g) of the Small Business Act (15 U.S.C. 631(a) and 644(g)), and dissemination of best practices for participation of small business concerns in micro-purchases.

SEC. 1333. AGENCY ACCOUNTABILITY.

Section 15(g)(2) of the Small Business Act (15 U.S.C. 644(g)(2)) is amended—

(1) by inserting ''(A)'' after ''(2)'';

(2) by striking ''Goals established'' and inserting the following:

''(B) Goals established'';

(3) by striking ''Whenever'' and inserting the following:

''(C) Whenever'';

(4) by striking ''For the purpose of'' and inserting the following:

''(D) For the purpose of'';

(5) by striking ''The head of each Federal agency, in attempting to attain such participation'' and inserting the following:

''(E) The head of each Federal agency, in attempting to attain the participation described in subparagraph (D)''.

(6) in subparagraph (E), as so designated—

(A) by striking ''(A) contracts'' and inserting ''(i) contracts''; and

(B) by striking ''(B) contracts'' and inserting ''(ii) contracts''; and

(7) by adding at the end the following:

''(F)(i) Each procurement employee or program manager described in clause (ii) shall communicate to the subordinates of the procurement employee or program manager the importance of achieving small business goals.

''(ii) A procurement employee or program manager described in this clause is a senior procurement executive, senior program manager, or Director of Small and Disadvantaged Business Utilization of a Federal agency having contracting authority.''.

SEC. 1334. PAYMENT OF SUBCONTRACTORS.

Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended by adding at the end the following:

''(12) PAYMENT OF SUBCONTRACTORS.—

''(A) DEFINITION.—In this paragraph, the term 'covered contract' means a contract relating to which a prime contractor is required to develop a subcontracting plan under paragraph (4) or (5).

''(B) NOTICE.—

''(i) IN GENERAL.—A prime contractor for a covered contract shall notify in writing the contracting officer for the covered contract if the prime contractor pays a reduced price to a subcontractor for goods and services upon completion of the responsibilities of the subcontractor or the payment to a subcontractor is more than 90 days past due for goods or services provided for the covered contract for which the Federal agency has paid the prime contractor.

''(ii) CONTENTS.—A prime contractor shall include the reason for the reduction in a payment to or failure to pay a subcontractor in any notice made under clause (i).

''(C) PERFORMANCE.—A contracting officer for a covered contract shall consider the unjustified failure by a prime contractor to make a full or timely payment to a subcontractor in evaluating the performance of the prime contractor.

''(D) CONTROL OF FUNDS.—If the contracting officer for a covered contract determines that a prime contractor has a history of unjustified, untimely payments to contractors, the contracting officer shall record the identity of the contractor in accordance with the regulations promulgated under subparagraph (E).

''(E) REGULATIONS.—Not later than 1 year after the date of enactment of this paragraph, the Federal Acquisition Regulatory Council established under section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)) shall amend the Federal Acquisition Regulation issued under section 25 of such Act to—

''(i) describe the circumstances under which a contractor may be determined to have a history of unjustified, untimely payments to subcontractors;

''(ii) establish a process for contracting officers to record the identity of a contractor described in clause (i); and

''(iii) require the identity of a contractor described in clause (i) to be incorporated in, and made publicly available through, the Federal Awardee Performance and Integrity Information System, or any successor thereto.''.

SEC. 1335. REPEAL OF SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The Business Opportunity Development Reform Act of 1988 (Public Law 100–656) is amended by striking title VII (15 U.S.C. 644 note).

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by this section—

(1) shall take effect on the date of enactment of this Act; and

(2) apply to the first full fiscal year after the date of enactment of this Act.

PART IV—SMALL BUSINESS SIZE AND STATUS INTEGRITY

SEC. 1341. POLICY AND PRESUMPTIONS.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1311, is amended by adding at the end the following:

''(w) PRESUMPTION.—

''(1) IN GENERAL.—In every contract, subcontract, cooperative agreement, cooperative research and development agreement, or grant which is set aside, reserved, or otherwise classified as intended for award to small business concerns, there shall be a presumption of loss to the United States based on the total amount expended on the contract, subcontract, cooperative agreement, cooperative research and development agreement, or grant whenever it is established that a business concern other than a small business concern willfully sought and received the award by misrepresentation.

''(2) DEEMED CERTIFICATIONS.—The following actions shall be deemed affirmative, willful, and intentional certifications of small business size and status:

''(A) Submission of a bid or proposal for a Federal grant, contract, subcontract, cooperative agreement, or cooperative research and development agreement reserved, set aside, or otherwise classified as intended for award to small business concerns.

''(B) Submission of a bid or proposal for a Federal grant, contract, subcontract, cooperative agreement, or cooperative research and development agreement which in any way encourages a Federal agency to classify the bid or proposal, if awarded, as an award to a small business concern.

''(C) Registration on any Federal electronic database for the purpose of being considered for award of a Federal grant, contract, subcontract, cooperative agreement, or cooperative research agreement, as a small business concern.

''(3) CERTIFICATION BY SIGNATURE OF RESPONSIBLE OFFICIAL.—

''(A) IN GENERAL.—Each solicitation, bid, or application for a Federal contract, subcontract, or grant shall contain a certification concerning the small business size and status of a business concern seeking the Federal contract, subcontract, or grant.

''(B) CONTENT OF CERTIFICATIONS.—A certification that a business concern qualifies as a small business concern of the exact size and status claimed by the business concern for purposes of bidding on a Federal contract or subcontract, or applying for a Federal grant, shall contain the signature of an authorized official on the same page on which the certification is contained.

''(4) REGULATIONS.—The Administrator shall promulgate regulations to provide adequate protections to individuals and business concerns from liability under this subsection in cases of unintentional errors, technical malfunctions, and other similar situations.''.

SEC. 1342. ANNUAL CERTIFICATION.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1341, is amended by adding at the end the following:

''(x) ANNUAL CERTIFICATION.—

''(1) IN GENERAL.—Each business certified as a small business concern under this Act shall annually certify its small business size and, if appropriate, its small business status, by means of a confirming entry on the Online Representations and Certifications Application database of the Administration, or any successor thereto.

''(2) REGULATIONS.—Not later than 1 year after the date of enactment of this subsection, the Administrator, in consultation with the Inspector General and the Chief Counsel for Advocacy of the Administration, shall promulgate regulations to ensure that—

''(A) no business concern continues to be certified as a small business concern on the Online Representations and Certifications Application database of the Administration, or any successor thereto, without fulfilling the requirements for annual certification under this subsection; and

''(B) the requirements of this subsection are implemented in a manner presenting the least possible regulatory burden on small business concerns.''.

SEC. 1343. TRAINING FOR CONTRACTING AND ENFORCEMENT PERSONNEL.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Federal Acquisition Institute, in consultation with the Administrator for Federal Procurement Policy, the Defense Acquisition University, and the Administrator, shall develop courses for acquisition personnel concerning proper classification of business concerns and small business size and status for purposes of Federal contracts, subcontracts, grants, cooperative agreements, and cooperative research and development agreements.

(b) POLICY ON PROSECUTIONS OF SMALL BUSINESS SIZE AND STATUS FRAUD.—Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1342, is amended by adding at the end the following:

''(y) POLICY ON PROSECUTIONS OF SMALL BUSINESS SIZE AND STATUS FRAUD.—Not later than 1 year after the date of enactment of this subsection, the Administrator, in consultation with the Attorney General, shall issue a Government-wide policy on prosecution of small business size and status fraud, which shall direct Federal agencies to appropriately publicize the policy.''.

SEC. 1344. UPDATED SIZE STANDARDS.

(a) ROLLING REVIEW.—

(1) IN GENERAL.—The Administrator shall—

(A) during the 18-month period beginning on the date of enactment of this Act, and during every 18-month period thereafter, conduct a detailed review of not less than ⅓ of the size standards for small business concerns established under section 3(a)(2) of the Small Business Act (15 U.S.C. 632(a)(2)), which shall include holding not less than 2 public forums located in different geographic regions of the United States;

(B) after completing each review under subparagraph (A) make appropriate adjustments to the size standards established under section 3(a)(2) of the Small Business Act to reflect market conditions;

(C) make publicly available—

(i) information regarding the factors evaluated as part of each review conducted under subparagraph (A); and

(ii) information regarding the criteria used for any revised size standards promulgated under subparagraph (B); and

(D) not later than 30 days after the date on which the Administrator completes each review under subparagraph (A), submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives and make publicly available a report regarding the review, including why the Administrator—

(i) used the factors and criteria described in subparagraph (C); and

(ii) adjusted or did not adjust each size standard that was reviewed under the review.

(2) COMPLETE REVIEW OF SIZE STANDARDS.—The Administrator shall ensure that each size standard for small business concerns established under section 3(a)(2) of the Small Business Act (15 U.S.C. 632(a)(2)) is reviewed under paragraph (1) not less frequently than once every 5 years.

(b) RULES.—Not later than 1 year after the date of enactment of this Act, the Administrator shall promulgate rules for conducting the reviews required under subsection (a).

SEC. 1345. STUDY AND REPORT ON THE MENTOR-PROTEGE PROGRAM.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the mentor-protege program of the Administration for small business concerns participating in programs under section 8(a) of the Small Business Act (15 U.S.C. 637(a)), and other relationships and strategic alliances pairing a larger business and a small business concern partner to gain access to Federal Government contracts, to determine whether the programs and relationships are effectively supporting the goal of increasing the participation of small business concerns in Government contracting.

(b) MATTERS TO BE STUDIED.—The study conducted under this section shall include—

(1) a review of a broad cross-section of industries; and

(2) an evaluation of—

(A) how each Federal agency carrying out a program described in subsection (a) administers and monitors the program;

(B) whether there are systems in place to ensure that the mentor-protege relationship, or similar affiliation, promotes real gain to the protege, and is not just a mechanism to enable participants that would not otherwise qualify under section 8(a) of the Small Business Act (15 U.S.C. 637(a)) to receive contracts under that section; and

(C) the degree to which protege businesses become able to compete for Federal contracts without the assistance of a mentor.

(c) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the results of the study conducted under this section.

SEC. 1346. CONTRACTING GOALS REPORTS.

Section 15(h)(2) of the Small Business Act (15 U.S.C. 644(h)(2)) is amended by striking ''submit them'' and all that follows through ''the following:'' and inserting ''submit to the President and the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives the compilation and analysis, which shall include the following:''.

SEC. 1347. SMALL BUSINESS CONTRACTING PARITY.

(a) DEFINITIONS.—In this section—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively; and

(2) the terms ''HUBZone small business concern'', ''small business concern'', ''small business concern owned and controlled by service-disabled veterans'', and ''small business concern owned and controlled by women'' have the same meanings as in section 3 of the Small Business Act (15 U.S.C. 632).

(b) CONTRACTING IMPROVEMENTS.—

(1) CONTRACTING OPPORTUNITIES.—Section 31(b)(2)(B) of the Small Business Act (15 U.S.C. 657a(b)(2)(B)) is amended by striking ''shall'' and inserting ''may''.

(2) CONTRACTING GOALS.—Section 15(g)(1) of the Small Business Act (15 U.S.C. 644(g)(1)) is amended in the fourth sentence by inserting ''and subcontract'' after ''not less than 3 percent of the total value of all prime contract''.

(3) MENTOR-PROTEGE PROGRAMS.—The Administrator may establish mentor-protege programs for small business concerns owned and controlled by service-disabled veterans, small business concerns owned and controlled by women, and HUBZone small business concerns modeled on the mentor-protege program of the Administration for small business concerns participating in programs under section 8(a) of the Small Business Act (15 U.S.C. 637(a)).

(c) SMALL BUSINESS CONTRACTING PROGRAMS PARITY.—Section 31(b)(2) of the Small Business Act (15 U.S.C. 657a(b)(2)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''Notwithstanding any other provision of law—'';

(2) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking ''a contracting'' and inserting ''SOLE SOURCE CONTRACTS.—A contracting''; and

(B) in clause (iii), by striking the semicolon at the end and inserting a period;

(3) in subparagraph (B)—

(A) by striking ''a contract opportunity shall'' and inserting ''RESTRICTED COMPETITION.—A contract opportunity may''; and

(B) by striking ''; and'' and inserting a period; and

(4) in subparagraph (C), by striking ''not later'' and inserting ''APPEALS.—Not later''.

Subtitle D—Small Business Management and Counseling Assistance

SEC. 1401. MATCHING REQUIREMENTS UNDER SMALL BUSINESS PROGRAMS.

(a) MICROLOAN PROGRAM.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (3)(B)—

(A) by striking ''As a condition'' and inserting the following:

''(i) IN GENERAL.—Subject to clause (ii), as a condition'';

(B) by striking ''the Administration'' and inserting ''the Administrator''; and

(C) by adding at the end the following:

''(ii) WAIVER OF NON-FEDERAL SHARE.—

''(I) IN GENERAL.—Upon request by an intermediary, and in accordance with this clause, the Administrator may waive, in whole or in part, the requirement to obtain non-Federal funds under clause (i) for a fiscal year. The Administrator may waive the requirement to obtain non-Federal funds under this clause for successive fiscal years.

''(II) CONSIDERATIONS.—In determining whether to waive the requirement to obtain non-Federal funds under this clause, the Administrator shall consider—

''(aa) the economic conditions affecting the intermediary;

''(bb) the impact a waiver under this clause would have on the credibility of the microloan program under this subsection;

''(cc) the demonstrated ability of the intermediary to raise non-Federal funds; and

''(dd) the performance of the intermediary.

''(III) LIMITATIONS.—

''(aa) IN GENERAL.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause if granting the waiver would undermine the credibility of the microloan program under this subsection.

''(bb) SUNSET.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause for fiscal year 2013 or any fiscal year thereafter.''; and

(2) in paragraph (4)(B)—

(A) by striking ''As a condition'' and all that follows through ''the Administration shall require'' and inserting the following:

''(i) IN GENERAL.—Subject to clause (ii), as a condition of a grant made under subparagraph (A), the Administrator shall require''; and

(B) by adding at the end the following:

''(ii) WAIVER OF NON-FEDERAL SHARE.—

''(I) IN GENERAL.—Upon request by an intermediary, and in accordance with this clause, the Administrator may waive, in whole or in part, the requirement to obtain non-Federal funds under clause (i) for a fiscal year. The Administrator may waive the requirement to obtain non-Federal funds under this clause for successive fiscal years.

''(II) CONSIDERATIONS.—In determining whether to waive the requirement to obtain non-Federal funds under this clause, the Administrator shall consider—

''(aa) the economic conditions affecting the intermediary;

''(bb) the impact a waiver under this clause would have on the credibility of the microloan program under this subsection;

''(cc) the demonstrated ability of the intermediary to raise non-Federal funds; and

''(dd) the performance of the intermediary.

''(III) LIMITATIONS.—

''(aa) IN GENERAL.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause if granting the waiver would undermine the credibility of the microloan program under this subsection.

''(bb) SUNSET.—The Administrator may not waive the requirement to obtain non-Federal funds under this clause for fiscal year 2013 or any fiscal year thereafter.''.

(b) WOMEN'S BUSINESS CENTER PROGRAM.—Section 29(c) of the Small Business Act (15 U.S.C. 656(c)) is amended—

(1) in paragraph (1), by striking ''As a condition'' and inserting ''Subject to paragraph (5), as a condition''; and

(2) by adding at the end the following:

''(5) WAIVER OF NON-FEDERAL SHARE RELATING TO TECHNICAL ASSISTANCE AND COUNSELING.—

''(A) IN GENERAL.—Upon request by a recipient organization, and in accordance with this paragraph, the Administrator may waive, in whole or in part, the requirement to obtain non-Federal funds under this subsection for the technical assistance and counseling activities of the recipient organization carried out using financial assistance under this section for a fiscal year. The Administrator may waive the requirement to obtain non-Federal funds under this paragraph for successive fiscal years.

''(B) CONSIDERATIONS.—In determining whether to waive the requirement to obtain non-Federal funds under this paragraph, the Administrator shall consider—

''(i) the economic conditions affecting the recipient organization;

''(ii) the impact a waiver under this clause would have on the credibility of the women's business center program under this section;

''(iii) the demonstrated ability of the recipient organization to raise non-Federal funds; and

''(iv) the performance of the recipient organization.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—The Administrator may not waive the requirement to obtain non-Federal funds under this paragraph if granting the waiver would undermine the credibility of the women's business center program under this section.

''(ii) SUNSET.—The Administrator may not waive the requirement to obtain non-Federal funds under this paragraph for fiscal year 2013 or any fiscal year thereafter.''.

(c) PROSPECTIVE REPEALS.—Effective October 1, 2012, the Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) in section 7(m) (15 U.S.C. 636(m))—

(A) in paragraph (3)(B)—

(i) by striking ''INTERMEDIARY CONTRIBUTION.—'' and all that follows through ''Subject to clause (ii), as'' and inserting ''INTERMEDIARY CONTRIBUTION.—As''; and

(ii) by striking clause (ii); and

(B) in paragraph (4)(B)—

(i) by striking ''CONTRIBUTION.—'' and all that follows through ''Subject to clause (ii), as'' and inserting ''CONTRIBUTION.—As''; and

(ii) by striking clause (ii); and

(2) in section 29(c) (15 U.S.C. 656(c))—

(A) in paragraph (1), by striking ''Subject to paragraph (5), as'' and inserting ''As''; and

(B) by striking paragraph (5).

SEC. 1402. GRANTS FOR SBDCS.

(a) IN GENERAL.—The Administrator may make grants to small business development centers under section 21 of the Small Business Act (15 U.S.C. 648) to provide targeted technical assistance to small business concerns seeking access to capital or credit, Federal procurement opportunities, energy efficiency audits to reduce energy bills, opportunities to export products or provide services to foreign customers, adopting, making innovations in, and using broadband technologies, or other assistance.

(b) ALLOCATION.—

(1) IN GENERAL.—Subject to paragraph (2), and notwithstanding the requirements of section 21(a)(4)(C)(iii) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(iii)), the amount appropriated to carry out this section shall be allocated under the formula under section 21(a)(4)(C)(i) of that Act.

(2) MINIMUM FUNDING.—The amount made available under this section to each State shall be not less than $325,000.

(3) TYPES OF USES.—Of the total amount of the grants awarded by the Administrator under this section—

(A) not less than 80 percent shall be used for counseling of small business concerns; and

(B) not more than 20 percent may be used for classes or seminars.

(c) NO NON-FEDERAL SHARE REQUIRED.—Notwithstanding section 21(a)(4)(A) of the Small Business Act (15 U.S.C. 648(a)(4)(A)), the recipient of a grant made under this section shall not be required to provide non-Federal matching funds.

(d) DISTRIBUTION.—Not later than 30 days after the date on which amounts are appropriated to carry out this section, the Administrator shall disburse the total amount appropriated.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator $50,000,000 to carry out this section.

Subtitle E—Disaster Loan Improvement

SEC. 1501. AQUACULTURE BUSINESS DISASTER ASSISTANCE.

Section 3 of the Small Business Act (15 U.S.C. 632), as amended by section 1343, is amended by adding at the end the following:

''(z) AQUACULTURE BUSINESS DISASTER ASSISTANCE.—Subject to section 18(a) and notwithstanding section 18(b)(1), the Administrator may provide disaster assistance under section 7(b)(2) to aquaculture enterprises that are small businesses.''.

Subtitle F—Small Business Regulatory Relief

SEC. 1601. REQUIREMENTS PROVIDING FOR MORE DETAILED ANALYSES.

Section 604(a) of title 5, United States Code, is amended—

(1) in paragraph (1), by striking ''succinct'';

(2) in paragraph (2), by striking ''summary'' each place it appears and inserting ''statement'';

(3) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(4) by inserting after paragraph (2) the following:

''(3) the response of the agency to any comments filed by the Chief Counsel for Advocacy of the Small Business Administration in response to the proposed rule, and a detailed statement of any change made to the proposed rule in the final rule as a result of the comments;''.

SEC. 1602. OFFICE OF ADVOCACY.

(a) IN GENERAL.—Section 203 of Public Law 94–305 (15 U.S.C. 634c) is amended—

(1) in paragraph (4), by striking ''and'' at the end;

(2) in paragraph (5), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(6) carry out the responsibilities of the Office of Advocacy under chapter 6 of title 5, United States Code.''.

(b) BUDGETARY LINE ITEM AND AUTHORIZATION OF APPROPRIATIONS.—Title II of Public Law 94–305 (15 U.S.C. 634a et seq.) is amended by striking section 207 and inserting the following:

''SEC. 207. BUDGETARY LINE ITEM AND AUTHORIZATION OF APPROPRIATIONS.

''(a) APPROPRIATION REQUESTS.—Each budget of the United States Government submitted by the President under section 1105 of title 31, United States Code, shall include a separate statement of the amount of appropriations requested for the Office of Advocacy of the Small Business Administration, which shall be designated in a separate account in the General Fund of the Treasury.

''(b) ADMINISTRATIVE OPERATIONS.—The Administrator of the Small Business Administration shall provide the Office of Advocacy with appropriate and adequate office space at central and field office locations, together with such equipment, operating budget, and communications facilities and services as may be necessary, and shall provide necessary maintenance services for such offices and the equipment and facilities located in such offices.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this title. Any amount appropriated under this subsection shall remain available, without fiscal year limitation, until expended.''.

Subtitle G—Appropriations Provisions

SEC. 1701. SALARIES AND EXPENSES.

(a) APPROPRIATION.—There is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2010, $150,000,000, to remain available until September 30, 2012, for an additional amount for the appropriations account appropriated under the heading ''SALARIES AND EXPENSES'' under the heading ''SMALL BUSINESS ADMINISTRATION'', of which—

(1) $50,000,000 is for grants to small business development centers authorized under section 1402;

(2) $1,000,000 is for the costs of administering grants authorized under section 1402;

(3) $30,000,000 is for grants to States for fiscal year 2011 to carry out export programs that assist small business concerns authorized under section 1207;

(4) $30,000,000 is for grants to States for fiscal year 2012 to carry out export programs that assist small business concerns authorized under section 1207;

(5) $2,500,000 is for the costs of administering grants authorized under section 1207;

(6) $5,000,000 is for grants for fiscal year 2011 under the Small Business Teaming Pilot Program under section 1314; and

(7) $5,000,000 is for grants for fiscal year 2012 under the Small Business Teaming Pilot Program under section 1314.

(b) REPORT.—Not later than 60 days after the date of enactment of this Act, the Administrator shall submit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a detailed expenditure plan for using the funds provided under subsection (a).

SEC. 1702. BUSINESS LOANS PROGRAM ACCOUNT.

(a) IN GENERAL.—There is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2010, for an additional amount for the appropriations account appropriated under the heading ''BUSINESS LOANS PROGRAM ACCOUNT'' under the heading ''SMALL BUSINESS ADMINISTRATION''—

(1) $8,000,000, to remain available until September 30, 2012, for fiscal year 2011 for the cost of direct loans authorized under section 7(l) of the Small Business Act, as added by section 1131 of this title, including the cost of modifying the loans;

(2) $8,000,000, to remain available until September 30, 2012, for fiscal year 2012 for the cost of direct loans authorized under section 7(l) of the Small Business Act, as added by section 1131 of this title, including the cost of modifying the loans;

(3) $6,500,000, to remain available until September 30, 2012, for administrative expenses to carry out the direct loan program authorized under section 7(l) of the Small Business Act, as added by section 1131 of this title, which may be transferred to and merged with the appropriations account appropriated under the heading ''SALARIES AND EXPENSES'' under the heading ''SMALL BUSINESS ADMINISTRATION''; and

(4) $15,000,000, to remain available until September 30, 2011, for the cost of guaranteed loans as authorized under section 7(a) of the Small Business Act, including the cost of modifying the loans.

(b) DEFINITION.—In this section, the term ''cost'' has the meaning given that term in section 502 of the Congressional Budget Act of 1974.

SEC. 1703. COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT.

There is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2010, for an additional amount for the appropriations account appropriated under the heading ''COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT'' under the heading ''DEPARTMENT OF THE TREASURY'', $13,500,000, to remain available until September 30, 2012, for the costs of administering guarantees for bonds and notes as authorized under section 114A of the Riegle Community Development and Regulatory Improvement Act of 1994, as added by section 1134 of this Act.

TITLE II—TAX PROVISIONS

SEC. 2001. SHORT TITLE.

This title may be cited as the ''Creating Small Business Jobs Act of 2010''.

Subtitle A—Small Business Relief

PART I—PROVIDING ACCESS TO CAPITAL

SEC. 2011. TEMPORARY EXCLUSION OF 100 PERCENT OF GAIN ON CERTAIN SMALL BUSINESS STOCK.

(a) IN GENERAL.—Subsection (a) of section 1202 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) 100 PERCENT EXCLUSION FOR STOCK ACQUIRED DURING CERTAIN PERIODS IN 2010.—In the case of qualified small business stock acquired after the date of the enactment of the

Creating Small Business Jobs Act of 2010 and before January 1, 2011—

''(A) paragraph (1) shall be applied by substituting '100 percent' for '50 percent',

''(B) paragraph (2) shall not apply, and

''(C) paragraph (7) of section 57(a) shall not apply.''.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 1202(a) of the Internal Revenue Code of 1986 is amended—

(1) by inserting ''CERTAIN PERIODS IN'' before ''2010'' in the heading, and

(2) by striking ''before January 1, 2011'' and inserting ''on or before the date of the enactment of the Creating Small Business Jobs Act of 2010''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to stock acquired after the date of the enactment of this Act.

SEC. 2012. GENERAL BUSINESS CREDITS OF ELIGIBLE SMALL BUSINESSES FOR 2010 CARRIED BACK 5 YEARS.

(a) IN GENERAL.—Section 39(a) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) 5-YEAR CARRYBACK FOR ELIGIBLE SMALL BUSINESS CREDITS.—

''(A) IN GENERAL.—Notwithstanding subsection (d), in the case of eligible small business credits determined in the first taxable year of the taxpayer beginning in 2010—

''(i) paragraph (1) shall be applied by substituting 'each of the 5 taxable years' for 'the taxable year' in subparagraph (A) thereof, and

''(ii) paragraph (2) shall be applied—

''(I) by substituting '25 taxable years' for '21 taxable years' in subparagraph (A) thereof, and

''(II) by substituting '24 taxable years' for '20 taxable years' in subparagraph (B) thereof.

''(B) ELIGIBLE SMALL BUSINESS CREDITS.—For purposes of this subsection, the term 'eligible small business credits' has the meaning given such term by section 38(c)(5)(B).''.

(b) CONFORMING AMENDMENT.—Section 39(a)(3)(A) of the Internal Revenue Code of 1986 is amended by inserting ''or the eligible small business credits'' after ''credit)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to credits determined in taxable years beginning after December 31, 2009.

SEC. 2013. GENERAL BUSINESS CREDITS OF ELIGIBLE SMALL BUSINESSES IN 2010 NOT SUBJECT TO ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Section 38(c) of the Internal Revenue Code of 1986 is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) SPECIAL RULES FOR ELIGIBLE SMALL BUSINESS CREDITS IN 2010.—

''(A) IN GENERAL.—In the case of eligible small business credits determined in taxable years beginning in 2010—

''(i) this section and section 39 shall be applied separately with respect to such credits, and

''(ii) in applying paragraph (1) to such credits—

''(I) the tentative minimum tax shall be treated as being zero, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the eligible small business credits).

''(B) ELIGIBLE SMALL BUSINESS CREDITS.—For purposes of this subsection, the term 'eligible small business credits' means the sum of the credits listed in subsection (b) which are determined for the taxable year with respect to an eligible small business. Such credits shall not be taken into account under paragraph (2), (3), or (4).

''(C) ELIGIBLE SMALL BUSINESS.—For purposes of this subsection, the term 'eligible small business' means, with respect to any taxable year—

''(i) a corporation the stock of which is not publicly traded,

''(ii) a partnership, or

''(iii) a sole proprietorship,

if the average annual gross receipts of such corporation, partnership, or sole proprietorship for the 3-taxable-year period preceding such taxable year does not exceed $50,000,000. For purposes of applying the test under the preceding sentence, rules similar to the rules of paragraphs (2) and (3) of section 448(c) shall apply.''.

(b) TECHNICAL AMENDMENT.—Section 55(e)(5) of the Internal Revenue Code of 1986 is amended by striking ''38(c)(3)(B)'' and inserting ''38(c)(4)(B)''.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to credits determined in taxable years beginning after December 31, 2009, and to carrybacks of such credits.

SEC. 2014. TEMPORARY REDUCTION IN RECOGNITION PERIOD FOR BUILT-IN GAINS TAX.

(a) IN GENERAL.—Subparagraph (B) of section 1374(d)(7) of the Internal Revenue Code of 1986 is amended to read as follows:

''(B) SPECIAL RULES FOR 2009, 2010, AND 2011.—No tax shall be imposed on the net recognized built-in gain of an S corporation—

''(i) in the case of any taxable year beginning in 2009 or 2010, if the 7th taxable year in the recognition period preceded such taxable year, or

''(ii) in the case of any taxable year beginning in 2011, if the 5th year in the recognition period preceded such taxable year.

The preceding sentence shall be applied separately with respect to any asset to which paragraph (8) applies.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2010.

PART II—ENCOURAGING INVESTMENT

SEC. 2021. INCREASED EXPENSING LIMITATIONS FOR 2010 AND 2011; CERTAIN REAL PROPERTY TREATED AS SECTION 179 PROPERTY.

(a) INCREASED LIMITATIONS.—Subsection (b) of section 179 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''shall not exceed'' and all that follows in paragraph (1) and inserting ''shall not exceed—

''(A) $250,000 in the case of taxable years beginning after 2007 and before 2010,

''(B) $500,000 in the case of taxable years beginning in 2010 or 2011, and

''(C) $25,000 in the case of taxable years beginning after 2011.'', and

(2) by striking ''exceeds'' and all that follows in paragraph (2) and inserting ''exceeds—

''(A) $800,000 in the case of taxable years beginning after 2007 and before 2010,

''(B) $2,000,000 in the case of taxable years beginning in 2010 or 2011, and

''(C) $200,000 in the case of taxable years beginning after 2011.''.

(b) INCLUSION OF CERTAIN REAL PROPERTY.—Section 179 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(f) SPECIAL RULES FOR QUALIFIED REAL PROPERTY.—

''(1) IN GENERAL.—If a taxpayer elects the application of this subsection for any taxable year beginning in 2010 or 2011, the term 'section 179 property' shall include any qualified real property which is—

''(A) of a character subject to an allowance for depreciation,

''(B) acquired by purchase for use in the active conduct of a trade or business, and

''(C) not described in the last sentence of subsection (d)(1).

''(2) QUALIFIED REAL PROPERTY.—For purposes of this subsection, the term 'qualified real property' means—

''(A) qualified leasehold improvement property described in section 168(e)(6),

''(B) qualified restaurant property described in section 168(e)(7) (without regard to the dates specified in subparagraph (A)(i) thereof), and

''(C) qualified retail improvement property described in section 168(e)(8) (without regard to subparagraph (E) thereof).

''(3) LIMITATION.—For purposes of applying the limitation under subsection (b)(1)(B), not more than $250,000 of the aggregate cost which is taken into account under subsection (a) for any taxable year may be attributable to qualified real property.

''(4) CARRYOVER LIMITATION.—

''(A) IN GENERAL.—Notwithstanding subsection (b)(3)(B), no amount attributable to qualified real property may be carried over to a taxable year beginning after 2011.

''(B) TREATMENT OF DISALLOWED AMOUNTS.—Except as provided in subparagraph (C), to the extent that any amount is not allowed to be carried over to a taxable year beginning after 2011 by reason of subparagraph (A), this title shall be applied as if no election under this section had been made with respect to such amount.

''(C) AMOUNTS CARRIED OVER FROM 2010.—If subparagraph (B) applies to any amount (or portion of an amount) which is carried over from a taxable year other than the taxpayer's last taxable year beginning in 2011, such amount (or portion of an amount) shall be treated for purposes of this title as attributable to property placed in service on the first day of the taxpayer's last taxable year beginning in 2011.

''(D) ALLOCATION OF AMOUNTS.—For purposes of applying this paragraph and subsection (b)(3)(B) to any taxable year, the amount which is disallowed under subsection (b)(3)(A) for such taxable year which is attributed to qualified real property shall be the amount which bears the same ratio to the total amount so disallowed as—

''(i) the aggregate amount attributable to qualified real property placed in service during such taxable year, increased by the portion of any amount carried over to such taxable year from a prior taxable year which is attributable to such property, bears to

''(ii) the total amount of section 179 property placed in service during such taxable year, increased by the aggregate amount carried over to such taxable year from any prior taxable year.

For purposes of the preceding sentence, only section 179 property with respect to which an election was made under subsection (c)(1) (determined without regard to subparagraph (B) of this paragraph) shall be taken into account.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2009, in taxable years beginning after such date.

SEC. 2022. ADDITIONAL FIRST-YEAR DEPRECIATION FOR 50 PERCENT OF THE BASIS OF CERTAIN QUALIFIED PROPERTY.

(a) IN GENERAL.—Paragraph (2) of section 168(k) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''January 1, 2011'' in subparagraph (A)(iv) and inserting ''January 1, 2012'', and

(2) by striking ''January 1, 2010'' each place it appears and inserting ''January 1, 2011''.

(b) CONFORMING AMENDMENTS.—

(1) The heading for subsection (k) of section 168 of the Internal Revenue Code of 1986 is amended by striking ''JANUARY 1, 2010'' and inserting ''JANUARY 1, 2011''.

(2) The heading for clause (ii) of section 168(k)(2)(B) of such Code is amended by striking ''PRE-JANUARY 1, 2010'' and inserting ''PRE-JANUARY 1, 2011''.

(3) Subparagraph (D) of section 168(k)(4) of such Code is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting a comma, and by adding at the end the following new clauses:

''(iv) 'January 1, 2011' shall be substituted for 'January 1, 2012' in subparagraph (A)(iv) thereof, and

''(v) 'January 1, 2010' shall be substituted for 'January 1, 2011' each place it appears in subparagraph (A) thereof.''.

(4) Subparagraph (B) of section 168(l)(5) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(5) Subparagraph (C) of section 168(n)(2) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(6) Subparagraph (D) of section 1400L(b)(2) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(7) Subparagraph (B) of section 1400N(d)(3) of such Code is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2009, in taxable years beginning after such date.

PART III—PROMOTING ENTREPRENEURSHIP

SEC. 2031. INCREASE IN AMOUNT ALLOWED AS DEDUCTION FOR START-UP EXPENDITURES IN 2010.

(a) START-UP EXPENDITURES.—Subsection (b) of section 195 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR TAXABLE YEARS BEGINNING IN 2010.—In the case of a taxable year beginning in 2010, paragraph (1)(A)(ii) shall be applied—

''(A) by substituting '$10,000' for '$5,000', and

''(B) by substituting '$60,000' for '$50,000'.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2009.

SEC. 2032. AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES TRADE REPRESENTATIVE TO DEVELOP MARKET ACCESS OPPORTUNITIES FOR UNITED STATES SMALL- AND MEDIUM-SIZED BUSINESSES AND TO ENFORCE TRADE AGREEMENTS.

(a) IN GENERAL.—There are authorized to be appropriated to the Office of the United States Trade Representative $5,230,000, to remain available until expended, for—

(1) analyzing and developing opportunities for businesses in the United States to access the markets of foreign countries; and

(2) enforcing trade agreements to which the United States is a party.

(b) REQUIREMENTS.—In obligating and expending the funds authorized to be appropriated under subsection (a), the United States Trade Representative shall—

(1) give preference to those initiatives that the United States Trade Representative determines will create or sustain the greatest number of jobs in the United States or result in the greatest benefit to the economy of the United States; and

(2) consider the needs of small- and medium-sized businesses in the United States with respect to—

(A) accessing the markets of foreign countries; and

(B) the enforcement of trade agreements to which the United States is a party.

PART IV—PROMOTING SMALL BUSINESS FAIRNESS

SEC. 2041. LIMITATION ON PENALTY FOR FAILURE TO DISCLOSE REPORTABLE TRANSACTIONS BASED ON RESULTING TAX BENEFITS.

(a) IN GENERAL.—Subsection (b) of section 6707A of the Internal Revenue Code of 1986 is amended to read as follows:

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the amount of the penalty under subsection (a) with respect to any reportable transaction shall be 75 percent of the decrease in tax shown on the return as a result of such transaction (or which would have resulted from such transaction if such transaction were respected for Federal tax purposes).

''(2) MAXIMUM PENALTY.—The amount of the penalty under subsection (a) with respect to any reportable transaction shall not exceed—

''(A) in the case of a listed transaction, $200,000 ($100,000 in the case of a natural person), or

''(B) in the case of any other reportable transaction, $50,000 ($10,000 in the case of a natural person).

''(3) MINIMUM PENALTY.—The amount of the penalty under subsection (a) with respect to any transaction shall not be less than $10,000 ($5,000 in the case of a natural person).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to penalties assessed after December 31, 2006.

SEC. 2042. DEDUCTION FOR HEALTH INSURANCE COSTS IN COMPUTING SELF-EMPLOYMENT TAXES IN 2010.

(a) IN GENERAL.—Paragraph (4) of section 162(l) of the Internal Revenue Code of 1986 is amended by inserting ''for taxable years beginning before January 1, 2010, or after December 31, 2010'' before the period.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

Subtitle B—Revenue Provisions

PART I—REDUCING THE TAX GAP

SEC. 2101. INFORMATION REPORTING FOR RENTAL PROPERTY EXPENSE PAYMENTS.

(a) IN GENERAL.—Section 6041 of the Internal Revenue Code of 1986, as amended by section 9006 of the Patient Protection and Affordable Care Act, is amended by redesignating subsections (h) and (i) as subsections (i) and (j), respectively, and by inserting after subsection (g) the following new subsection:

''(h) TREATMENT OF RENTAL PROPERTY EXPENSE PAYMENTS.—

''(1) IN GENERAL.—Solely for purposes of subsection (a) and except as provided in paragraph (2), a person receiving rental income from real estate shall be considered to be engaged in a trade or business of renting property.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to—

''(A) any individual, including any individual who is an active member of the uniformed services or an employee of the intelligence community (as defined in section 121(d)(9)(C)(iv)), if substantially all rental income is derived from renting the principal residence (within the meaning of section 121) of such individual on a temporary basis,

''(B) any individual who receives rental income of not more than the minimal amount, as determined under regulations prescribed by the Secretary, and

''(C) any other individual for whom the requirements of this section would cause hardship, as determined under regulations prescribed by the Secretary.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to payments made after December 31, 2010.

SEC. 2102. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Subsections (a)(1), (b)(1)(A), and (b)(2)(A) of section 6721 of the Internal Revenue Code of 1986 are each amended by striking ''$50'' and inserting ''$100''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (a)(1), (d)(1)(A), and (e)(3)(A) of section 6721 of such Code are each amended by striking ''$250,000'' and inserting ''$1,500,000''.

(b) REDUCTION WHERE CORRECTION WITHIN 30 DAYS.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(1) of the Internal Revenue Code of 1986 is amended by striking ''$15'' and inserting ''$30''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(1)(B) and (d)(1)(B) of section 6721 of such Code are each amended by striking ''$75,000'' and inserting ''$250,000''.

(c) REDUCTION WHERE CORRECTION ON OR BEFORE AUGUST 1.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(2) of the Internal Revenue Code of 1986 is amended by striking ''$30'' and inserting ''$60''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(2)(B) and (d)(1)(C) of section 6721 of such Code are each amended by striking ''$150,000'' and inserting ''$500,000''.

(d) AGGREGATE ANNUAL LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—

(1) IN GENERAL.—Paragraph (1) of section 6721(d) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''$100,000'' in subparagraph (A) and inserting ''$500,000'',

(B) by striking ''$25,000'' in subparagraph (B) and inserting ''$75,000'', and

(C) by striking ''$50,000'' in subparagraph (C) and inserting ''$200,000''.

(2) TECHNICAL AMENDMENT.—Paragraph (1) of section 6721(d) of such Code is amended by striking ''such taxable year'' and inserting ''such calendar year''.

(e) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (2) of section 6721(e) of the Internal Revenue Code of 1986 is amended by striking ''$100'' and inserting ''$250''.

(f) ADJUSTMENT FOR INFLATION.—Section 6721 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(f) ADJUSTMENT FOR INFLATION.—

''(1) IN GENERAL.—For each fifth calendar year beginning after 2012, each of the dollar amounts under subsections (a), (b), (d) (other than paragraph (2)(A) thereof), and (e) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting 'calendar year 2011' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount adjusted under paragraph (1)—

''(A) is not less than $75,000 and is not a multiple of $500, such amount shall be rounded to the next lowest multiple of $500, and

''(B) is not described in subparagraph (A) and is not a multiple of $10, such amount shall be rounded to the next lowest multiple of $10.''.

(g) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—Section 6722 of the Internal Revenue Code of 1986 is amended to read as follows:

''SEC. 6722. FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.

''(a) IMPOSITION OF PENALTY.—

''(1) GENERAL RULE.—In the case of each failure described in paragraph (2) by any person with respect to a payee statement, such person shall pay a penalty of $100 for each statement with respect to which such a failure occurs, but the total amount imposed on

such person for all such failures during any calendar year shall not exceed $1,500,000.

''(2) FAILURES SUBJECT TO PENALTY.—For purposes of paragraph (1), the failures described in this paragraph are—

''(A) any failure to furnish a payee statement on or before the date prescribed therefor to the person to whom such statement is required to be furnished, and

''(B) any failure to include all of the information required to be shown on a payee statement or the inclusion of incorrect information.

''(b) REDUCTION WHERE CORRECTION IN SPECIFIED PERIOD.—

''(1) CORRECTION WITHIN 30 DAYS.—If any failure described in subsection (a)(2) is corrected on or before the day 30 days after the required filing date—

''(A) the penalty imposed by subsection (a) shall be $30 in lieu of $100, and

''(B) the total amount imposed on the person for all such failures during any calendar year which are so corrected shall not exceed $250,000.

''(2) FAILURES CORRECTED ON OR BEFORE AUGUST 1.—If any failure described in subsection (a)(2) is corrected after the 30th day referred to in paragraph (1) but on or before August 1 of the calendar year in which the required filing date occurs—

''(A) the penalty imposed by subsection (a) shall be $60 in lieu of $100, and

''(B) the total amount imposed on the person for all such failures during the calendar year which are so corrected shall not exceed $500,000.

''(c) EXCEPTION FOR DE MINIMIS FAILURES.—

''(1) IN GENERAL.—If—

''(A) a payee statement is furnished to the person to whom such statement is required to be furnished,

''(B) there is a failure described in subsection (a)(2)(B) (determined after the application of section 6724(a)) with respect to such statement, and

''(C) such failure is corrected on or before August 1 of the calendar year in which the required filing date occurs,

for purposes of this section, such statement shall be treated as having been furnished with all of the correct required information.

''(2) LIMITATION.—The number of payee statements to which paragraph (1) applies for any calendar year shall not exceed the greater of—

''(A) 10, or

''(B) one-half of 1 percent of the total number of payee statements required to be filed by the person during the calendar year.

''(d) LOWER LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—

''(1) IN GENERAL.—If any person meets the gross receipts test of paragraph (2) with respect to any calendar year, with respect to failures during such calendar year—

''(A) subsection (a)(1) shall be applied by substituting '$500,000' for '$1,500,000',

''(B) subsection (b)(1)(B) shall be applied by substituting '$75,000' for '$250,000', and

''(C) subsection (b)(2)(B) shall be applied by substituting '$200,000' for '$500,000'.

''(2) GROSS RECEIPTS TEST.—A person meets the gross receipts test of this paragraph if such person meets the gross receipts test of section 6721(d)(2).

''(e) PENALTY IN CASE OF INTENTIONAL DISREGARD.—If 1 or more failures to which subsection (a) applies are due to intentional disregard of the requirement to furnish a payee statement (or the correct information reporting requirement), then, with respect to each such failure—

''(1) subsections (b), (c), and (d) shall not apply,

''(2) the penalty imposed under subsection (a)(1) shall be $250, or, if greater—

''(A) in the case of a payee statement other than a statement required under section 6045(b), 6041A(e) (in respect of a return required under section 6041A(b)), 6050H(d), 6050J(e), 6050K(b), or 6050L(c), 10 percent of the aggregate amount of the items required to be reported correctly, or

''(B) in the case of a payee statement required under section 6045(b), 6050K(b), or 6050L(c), 5 percent of the aggregate amount of the items required to be reported correctly, and

''(3) in the case of any penalty determined under paragraph (2)—

''(A) the $1,500,000 limitation under subsection (a) shall not apply, and

''(B) such penalty shall not be taken into account in applying such limitation to penalties not determined under paragraph (2).

''(f) ADJUSTMENT FOR INFLATION.—

''(1) IN GENERAL.—For each fifth calendar year beginning after 2012, each of the dollar amounts under subsections (a), (b), (d)(1), and (e) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting 'calendar year 2011' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount adjusted under paragraph (1)—

''(A) is not less than $75,000 and is not a multiple of $500, such amount shall be rounded to the next lowest multiple of $500, and

''(B) is not described in subparagraph (A) and is not a multiple of $10, such amount shall be rounded to the next lowest multiple of $10.''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2011.

SEC. 2103. REPORT ON TAX SHELTER PENALTIES AND CERTAIN OTHER ENFORCEMENT ACTIONS.

(a) IN GENERAL.—The Commissioner of Internal Revenue, in consultation with the Secretary of the Treasury, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate an annual report on the penalties assessed by the Internal Revenue Service during the preceding year under each of the following provisions of the Internal Revenue Code of 1986:

(1) Section 6662A (relating to accuracy-related penalty on understatements with respect to reportable transactions).

(2) Section 6700(a) (relating to promoting abusive tax shelters).

(3) Section 6707 (relating to failure to furnish information regarding reportable transactions).

(4) Section 6707A (relating to failure to include reportable transaction information with return).

(5) Section 6708 (relating to failure to maintain lists of advisees with respect to reportable transactions).

(b) ADDITIONAL INFORMATION.—The report required under subsection (a) shall also include information on the following with respect to each year:

(1) Any action taken under section 330(b) of title 31, United States Code, with respect to any reportable transaction (as defined in section 6707A(c) of the Internal Revenue Code of 1986).

(2) Any extension of the time for assessment of tax enforced, or assessment of any amount under such an extension, under paragraph (10) of section 6501(c) of the Internal Revenue Code of 1986.

(c) DATE OF REPORT.—The first report required under subsection (a) shall be submitted not later than December 31, 2010.

SEC. 2104. APPLICATION OF LEVY TO PAYMENTS TO FEDERAL VENDORS RELATING TO PROPERTY.

(a) IN GENERAL.—Section 6331(h)(3) of the Internal Revenue Code of 1986 is amended by striking ''goods or services'' and inserting ''property, goods, or services''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to levies issued after the date of the enactment of this Act.

SEC. 2105. APPLICATION OF CONTINUOUS LEVY TO TAX LIABILITIES OF CERTAIN FEDERAL CONTRACTORS.

(a) IN GENERAL.—Subsection (f) of section 6330 of the Internal Revenue Code of 1986 is amended by striking ''or'' at the end of paragraph (2), by inserting ''or'' at the end of paragraph (3), and by inserting after paragraph (3) the following new paragraph:

''(4) the Secretary has served a Federal contractor levy,''.

(b) FEDERAL CONTRACTOR LEVY.—Subsection (h) of section 6330 of the Internal Revenue Code of 1986 is amended—

(1) by striking all that precedes ''any levy in connection with the collection'' and inserting the following:

''(h) DEFINITIONS RELATED TO EXCEPTIONS.—For purposes of subsection (f)—

''(1) DISQUALIFIED EMPLOYMENT TAX LEVY.—A disqualified employment tax levy is''; and

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

''(2) FEDERAL CONTRACTOR LEVY.—A Federal contractor levy is any levy if the person whose property is subject to the levy (or any predecessor thereof) is a Federal contractor.''.

(c) CONFORMING AMENDMENT.—The heading of subsection (f) of section 6330 of the Internal Revenue Code of 1986 is amended by striking ''JEOPARDY AND STATE REFUND COLLECTION'' and inserting ''EXCEPTIONS''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to levies issued after the date of the enactment of this Act.

SEC. 2106. APPLICATION OF BAD CHECKS PENALTY TO ELECTRONIC PAYMENTS.

(a) IN GENERAL.—Section 6657 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''If any check or money order in payment of any amount'' and inserting ''If any instrument in payment, by any commercially acceptable means, of any amount'', and

(2) by striking ''such check'' each place it appears and inserting ''such instrument''.

(b) EFFECTIVE DATES.—The amendments made by this section shall apply to instruments tendered after the date of the enactment of this Act.

PART II—PROMOTING RETIREMENT PREPARATION

SEC. 2111. PARTICIPANTS IN GOVERNMENT SECTION 457 PLANS ALLOWED TO TREAT ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

(a) IN GENERAL.—Section 402A(e)(1) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following:

''(C) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(b) ELECTIVE DEFERRALS.—Section 402A(e)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means—

''(A) any elective deferral described in subparagraph (A) or (C) of section 402(g)(3), and

''(B) any elective deferral of compensation by an individual under an eligible deferred compensation plan (as defined in section

457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 2112. ROLLOVERS FROM ELECTIVE DEFERRAL PLANS TO DESIGNATED ROTH ACCOUNTS.

(a) IN GENERAL.—Section 402A(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) TAXABLE ROLLOVERS TO DESIGNATED ROTH ACCOUNTS.—

''(A) IN GENERAL.—Notwithstanding sections 402(c), 403(b)(8), and 457(e)(16), in the case of any distribution to which this paragraph applies—

''(i) there shall be included in gross income any amount which would be includible were it not part of a qualified rollover contribution,

''(ii) section 72(t) shall not apply, and

''(iii) unless the taxpayer elects not to have this clause apply, any amount required to be included in gross income for any taxable year beginning in 2010 by reason of this paragraph shall be so included ratably over the 2-taxable-year period beginning with the first taxable year beginning in 2011.

Any election under clause (iii) for any distributions during a taxable year may not be changed after the due date for such taxable year.

''(B) DISTRIBUTIONS TO WHICH PARAGRAPH APPLIES.—In the case of an applicable retirement plan which includes a qualified Roth contribution program, this paragraph shall apply to a distribution from such plan other than from a designated Roth account which is contributed in a qualified rollover contribution (within the meaning of section 408A(e)) to the designated Roth account maintained under such plan for the benefit of the individual to whom the distribution is made.

''(C) COORDINATION WITH LIMIT.—Any distribution to which this paragraph applies shall not be taken into account for purposes of paragraph (1).

''(D) OTHER RULES.—The rules of subparagraphs (D), (E), and (F) of section 408A(d)(3) (as in effect for taxable years beginning after 2009) shall apply for purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after the date of the enactment of this Act.

PART III—CLOSING UNINTENDED LOOPHOLES

SEC. 2121. CRUDE TALL OIL INELIGIBLE FOR CELLULOSIC BIOFUEL PRODUCER CREDIT.

(a) IN GENERAL.—Clause (iii) of section 40(b)(6)(E) of the Internal Revenue Code of 1986, as added by the Health Care and Education Reconciliation Act of 2010, is amended—

(1) by striking ''or'' at the end of subclause (I),

(2) by striking the period at the end of subclause (II) and inserting '', or'',

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

''(III) such fuel has an acid number greater than 25.'', and

(4) by striking ''UNPROCESSED'' in the heading and inserting ''CERTAIN''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fuels sold or used on or after January 1, 2010.

PART IV—TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES

SEC. 2131. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act in effect on the date of the enactment of this Act is increased by 36 percentage points.

TITLE III—SMALL BUSINESS LENDING

Subtitle A—Small Business Lending Fund

SEC. 3101. PURPOSE.

The purpose of this subtitle is to address the ongoing effects of the financial crisis on small businesses by providing temporary authority to the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses.

SEC. 3102. DEFINITIONS.

For purposes of this subtitle:

(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means—

(A) the Committee on Small Business and Entrepreneurship, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Budget, and the Committee on Appropriations of the Senate; and

(B) the Committee on Small Business, the Committee on Agriculture, the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives.

(2) APPROPRIATE FEDERAL BANKING AGENCY.—The term ''appropriate Federal banking agency'' has the meaning given such term under section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)).

(3) BANK HOLDING COMPANY.—The term ''bank holding company'' has the meaning given such term under section 2(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(2)(a)(1)).

(4) CALL REPORT.—The term ''call report'' means—

(A) reports of Condition and Income submitted to the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation;

(B) the Office of Thrift Supervision Thrift Financial Report;

(C) any report that is designated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the Office of Thrift Supervision, as applicable, as a successor to any report referred to in subparagraph (A) or (B);

(D) reports of Condition and Income as designated through guidance developed by the Secretary, in consultation with the Director of the Community Development Financial Institutions Fund; and

(E) with respect to an eligible institution for which no report exists that is described under subparagraph (A), (B), (C), or (D), such other report or set of information as the Secretary, in consultation with the Administrator of the Small Business Administration, may prescribe.

(5) CDCI.—The term ''CDCI'' means the Community Development Capital Initiative created by the Secretary under the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008.

(6) CDCI INVESTMENT.—The term ''CDCI investment'' means, with respect to any eligible institution, the principal amount of any investment made by the Secretary in such eligible institution under the CDCI that has not been repaid.

(7) CDFI; COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The terms ''CDFI'' and ''community development financial institution'' have the meaning given the term ''community development financial institution'' under the Riegle Community Development and Regulatory Improvement Act of 1994.

(8) CDLF; COMMUNITY DEVELOPMENT LOAN FUND.—The terms ''CDLF'' and ''community development loan fund'' mean any entity that—

(A) is certified by the Department of the Treasury as a community development financial institution loan fund;

(B) is exempt from taxation under the Internal Revenue Code of 1986; and

(C) had assets less than or equal to $10,000,000,000 as of the end of the fourth quarter of calendar year 2009.

(9) CPP.—The term ''CPP'' means the Capital Purchase Program created by the Secretary under the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008.

(10) CPP INVESTMENT.—The term ''CPP investment'' means, with respect to any eligible institution, the principal amount of any investment made by the Secretary in such eligible institution under the CPP that has not been repaid.

(11) ELIGIBLE INSTITUTION.—The term ''eligible institution'' means—

(A) any insured depository institution, which—

(i) is not controlled by a bank holding company or savings and loan holding company that is also an eligible institution;

(ii) has total assets of equal to or less than $10,000,000,000, as reported in the call report of the insured depository institution as of the end of the fourth quarter of calendar year 2009; and

(iii) is not directly or indirectly controlled by any company or other entity that has total consolidated assets of more than $10,000,000,000, as so reported;

(B) any bank holding company which has total consolidated assets of equal to or less than $10,000,000,000, as reported in the call report of the bank holding company as of the end of the fourth quarter of calendar year 2009;

(C) any savings and loan holding company which has total consolidated assets of equal to or less than $10,000,000,000, as reported in the call report of the savings and loan holding company as of the end of the fourth quarter of calendar year 2009; and

(D) any community development financial institution loan fund which has total assets of equal to or less than $10,000,000,000, as reported in audited financial statements for the fiscal year of the community development financial institution loan fund that ends in calendar year 2009.

(12) FUND.—The term ''Fund'' means the Small Business Lending Fund established under section 3103(a)(1).

(13) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution'' has the meaning given such term under section 3(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(2)).

(14) MINORITY-OWNED AND WOMEN-OWNED BUSINESS.—The terms ''minority-owned business'' and ''women-owned business'' shall have the meaning given the terms ''minority-owned business'' and ''women's business'', respectively, under section 21A(r)(4) of the Federal Home Loan Bank Act (12 U.S.C. 1441A(r)(4)).

(15) PROGRAM.—The term ''Program'' means the Small Business Lending Fund Program authorized under section 3103(a)(2).

(16) SAVINGS AND LOAN HOLDING COMPANY.—The term ''savings and loan holding company'' has the meaning given such term under section 10(a)(1)(D) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(1)(D)).

(17) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

(18) SMALL BUSINESS LENDING.—

(A) IN GENERAL.—The term ''small business lending'' means lending, as defined by and reported in an eligible institutions' quarterly call report, where each loan comprising such lending is one of the following types:

(i) Commercial and industrial loans.

(ii) Owner-occupied nonfarm, nonresidential real estate loans.

(iii) Loans to finance agricultural production and other loans to farmers.

(iv) Loans secured by farmland.

(B) EXCLUSION.—No loan that has an original amount greater than $10,000,000 or that goes to a business with more than $50,000,000 in revenues shall be included in the measure.

(C) TREATMENT OF HOLDING COMPANIES.—In the case of eligible institutions that are bank holding companies or savings and loan holding companies having one or more insured depository institution subsidiaries, small business lending shall be measured based on the combined small business lending reported in the call report of the insured depository institution subsidiaries.

(19) VETERAN-OWNED BUSINESS.—

(A) The term ''veteran-owned business'' means a business—

(i) more than 50 percent of the ownership or control of which is held by 1 or more veterans;

(ii) more than 50 percent of the net profit or loss of which accrues to 1 or more veterans; and

(iii) a significant percentage of senior management positions of which are held by veterans.

(B) For purposes of this paragraph, the term ''veteran'' has the meaning given such term in section 101(2) of title 38, United States Code.

SEC. 3103. SMALL BUSINESS LENDING FUND.

(a) FUND AND PROGRAM.—

(1) FUND ESTABLISHED.—There is established in the Treasury of the United States a fund to be known as the ''Small Business Lending Fund'', which shall be administered by the Secretary.

(2) PROGRAMS AUTHORIZED.—The Secretary is authorized to establish the Small Business Lending Fund Program for using the Fund consistent with this subtitle.

(b) USE OF FUND.—

(1) IN GENERAL.—Subject to paragraph (2), the Fund shall be available to the Secretary, without further appropriation or fiscal year limitation, for the costs of purchases (including commitments to purchase), and modifications of such purchases, of preferred stock and other financial instruments from eligible institutions on such terms and conditions as are determined by the Secretary in accordance with this subtitle. For purposes of this paragraph and with respect to an eligible institution, the term ''other financial instruments'' shall include only debt instruments for which such eligible institution is fully liable or equity equivalent capital of the eligible institution. Such debt instruments may be subordinated to the claims of other creditors of the eligible institution.

(2) MAXIMUM PURCHASE LIMIT.—The aggregate amount of purchases (and commitments to purchase) made pursuant to paragraph (1) may not exceed $30,000,000,000.

(3) PROCEEDS USED TO PAY DOWN PUBLIC DEBT.—All funds received by the Secretary in connection with purchases made pursuant to paragraph (1), including interest payments, dividend payments, and proceeds from the sale of any financial instrument, shall be paid into the general fund of the Treasury for reduction of the public debt.

(4) LIMITATION ON PURCHASES FROM CDLFS.—

(A) IN GENERAL.—Not more than 1 percent of the maximum purchase limit of the Program, pursuant to paragraph (2), may be used to make purchases from community development loan funds.

(B) ELIGIBILITY STANDARDS.—The Secretary, in consultation with the Community Development Financial Institutions Fund, shall develop eligibility criteria to determine the financial ability of a CDLF to participate in the Program and repay the investment. Such criteria shall include the following:

(i) Ratio of net assets to total assets is at least 20 percent.

(ii) Ratio of loan loss reserves to loans and leases 90 days or more delinquent (including loans sold with full recourse) is at least 30 percent.

(iii) Positive net income measured on a 3-year rolling average.

(iv) Operating liquidity ratio of at least 1.0 for the 4 most recent quarters and for one or both of the two preceding years.

(v) Ratio of loans and leases 90 days or more delinquent (including loans sold with full recourse) to total equity plus loan loss reserves is less than 40 percent.

(C) REQUIREMENT TO SUBMIT AUDITED FINANCIAL STATEMENTS.—CDLFs participating in the Program shall submit audited financial statements to the Secretary, have a clean audit opinion, and have at least 3 years of operating experience.

(c) CREDITS TO THE FUND.—There shall be credited to the Fund amounts made available pursuant to section 3108, to the extent provided by appropriations Acts.

(d) TERMS.—

(1) APPLICATION.—

(A) INSTITUTIONS WITH ASSETS OF $1,000,000,000 OR LESS.—Eligible institutions having total assets equal to or less than $1,000,000,000, as reported in a call report as of the end of the fourth quarter of calendar year 2009, may apply to receive a capital investment from the Fund in an amount not exceeding 5 percent of risk-weighted assets, as reported in the call report immediately preceding the date of application, less the amount of any CDCI investment and any CPP investment.

(B) INSTITUTIONS WITH ASSETS OF MORE THAN $1,000,000,000 AND LESS THAN OR EQUAL TO $10,000,000,000.—Eligible institutions having total assets of more than $1,000,000,000 but less than $10,000,000,000, as of the end of the fourth quarter of calendar year 2009, may apply to receive a capital investment from the Fund in an amount not exceeding 3 percent of risk-weighted assets, as reported in the call report immediately preceding the date of application, less the amount of any CDCI investment and any CPP investment.

(C) TREATMENT OF HOLDING COMPANIES.—In the case of an eligible institution that is a bank holding company or a savings and loan holding company having one or more insured depository institution subsidiaries, total assets shall be measured based on the combined total assets reported in the call report of the insured depository institution subsidiaries as of the end of the fourth quarter of calendar year 2009 and risk-weighted assets shall be measured based on the combined risk-weighted assets of the insured depository institution subsidiaries as reported in the call report immediately preceding the date of application.

(D) TREATMENT OF APPLICANTS THAT ARE INSTITUTIONS CONTROLLED BY HOLDING COMPANIES.—If an eligible institution that applies to receive a capital investment under the Program is under the control of a bank holding company or a savings and loan holding company, then the Secretary may use the Fund to purchase preferred stock or other financial instruments from the top-tier bank holding company or savings and loan holding company of such eligible institution, as applicable. For purposes of this subparagraph, the term ''control'' with respect to a bank holding company shall have the same meaning as in section 2(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(2)(a)(2)). For purposes of this subparagraph, the term ''control'' with respect to a savings and loan holding company shall have the same meaning as in 10(a)(2) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(2)).

(E) REQUIREMENT TO PROVIDE A SMALL BUSINESS LENDING PLAN.—At the time that an applicant submits an application to the Secretary for a capital investment under the Program, the applicant shall deliver to the appropriate Federal banking agency, and, for applicants that are State-chartered banks, to the appropriate State banking regulator, a small business lending plan describing how the applicant's business strategy and operating goals will allow it to address the needs of small businesses in the areas it serves, as well as a plan to provide linguistically and culturally appropriate outreach, where appropriate. In the case of eligible institutions that are community development loan funds, this plan shall be submitted to the Secretary. This plan shall be confidential supervisory information.

(F) TREATMENT OF APPLICANTS THAT ARE COMMUNITY DEVELOPMENT LOAN FUNDS.—Eligible institutions that are community development loan funds may apply to receive a capital investment from the Fund in an amount not exceeding 5 percent of total assets, as reported in the audited financial statements for the fiscal year of the eligible institution that ends in calendar year 2009.

(2) CONSULTATION WITH REGULATORS.—For each eligible institution that applies to receive a capital investment under the Program, the Secretary shall—

(A) consult with the appropriate Federal banking agency or, in the case of an eligible institution that is a non-depository community development financial institution, the Community Development Financial Institution Fund, for the eligible institution to determine whether the eligible institution may receive such capital investment;

(B) in the case of an eligible institution that is a State-chartered bank, consider any views received from the State banking regulator of the State of the eligible institution regarding the financial condition of the eligible institution; and

(C) in the case of a community development financial institution loan fund, consult with the Community Development Financial Institution Fund.

(3) INELIGIBILITY OF INSTITUTIONS ON FDIC PROBLEM BANK LIST.—

(A) IN GENERAL.—An eligible institution may not receive any capital investment under the Program if—

(i) such institution is on the FDIC problem bank list; or

(ii) such institution has been removed from the FDIC problem bank list for less than 90 days.

(B) CONSTRUCTION.—Nothing in subparagraph (A) shall be construed as limiting the discretion of the Secretary to deny the application of an eligible institution that is not on the FDIC problem bank list.

(C) FDIC PROBLEM BANK LIST DEFINED.—For purposes of this subparagraph, the term ''FDIC problem bank list'' means the list of institutions with a current rating of 4 or 5 under the Uniform Financial Institutions Rating System, or such other list designated by the Federal Deposit Insurance Corporation.

(4) INCENTIVES TO LEND.—

(A) REQUIREMENTS ON PREFERRED STOCK AND OTHER FINANCIAL INSTRUMENTS.—Any preferred stock or other financial instrument issued to Treasury by an eligible institution receiving a capital investment under the Program shall provide that—

(i) the rate at which dividends or interest are payable shall be 5 percent per annum initially;

(ii) within the first 2 years after the date of the capital investment under the Program, the rate may be adjusted based on the amount of an eligible institution's small business lending. Changes in the amount of small business lending shall be measured against the average amount of small business lending reported by the eligible institution in its call reports for the 4 full quarters immediately preceding the date of enactment of this Act, minus adjustments from each quarterly balance in respect of—

(I) net loan charge offs with respect to small business lending; and

(II) gains realized by the eligible institution resulting from mergers, acquisitions or purchases of loans after origination and syndication; which adjustments shall be determined in accordance with guidance promulgated by the Secretary; and

(iii) during any calendar quarter during the initial 2-year period referred to in clause (ii), an institution's rate shall be adjusted to reflect the following schedule, based on that institution's change in the amount of small business lending relative to the baseline—

(I) if the amount of small business lending has increased by less than 2.5 percent, the dividend or interest rate shall be 5 percent;

(II) if the amount of small business lending has increased by 2.5 percent or greater, but by less than 5.0 percent, the dividend or interest rate shall be 4 percent;

(III) if the amount of small business lending has increased by 5.0 percent or greater, but by less than 7.5 percent, the dividend or interest rate shall be 3 percent;

(IV) if the amount of small business lending has increased by 7.5 percent or greater, and but by less than 10.0 percent, the dividend or interest rate shall be 2 percent; or

(V) if the amount of small business lending has increased by 10 percent or greater, the dividend or interest rate shall be 1 percent.

(B) BASIS OF INITIAL RATE.—The initial dividend or interest rate shall be based on call report data published in the quarter immediately preceding the date of the capital investment under the Program.

(C) TIMING OF RATE ADJUSTMENTS.—Any rate adjustment shall occur in the calendar quarter following the publication of call report data, such that the rate based on call report data from any one calendar quarter, which is published in the first following calendar quarter, shall be adjusted in that first following calendar quarter and payable in the second following quarter.

(D) RATE FOLLOWING INITIAL 2-YEAR PERIOD.—Generally, the rate based on call report data from the eighth calendar quarter after the date of the capital investment under the Program shall be payable until the expiration of the 4½-year period that begins on the date of the investment. In the case where the amount of small business lending has remained the same or decreased relative to the institution's baseline in the eighth quarter after the date of the capital investment under the Program, the rate shall be 7 percent until the expiration of the 4½-year period that begins on the date of the investment.

(E) RATE FOLLOWING INITIAL 4½ -YEAR PERIOD.—The dividend or interest rate paid on any preferred stock or other financial instrument issued by an eligible institution that receives a capital investment under the Program shall increase to 9 percent at the end of the 4½-year period that begins on the date of the capital investment under the Program.

(F) LIMITATION ON RATE REDUCTIONS WITH RESPECT TO CERTAIN AMOUNT.—The reduction in the dividend or interest rate payable to Treasury by any eligible institution shall be limited such that the rate reduction shall not apply to a dollar amount of the investment made by Treasury that is greater than the dollar amount increase in the amount of small business lending realized under this program. The Secretary may issue guidelines that will apply to new capital investments limiting the amount of capital available to eligible institutions consistent with this limitation.

(G) RATE ADJUSTMENTS FOR S CORPORATION.—Before making a capital investment in an eligible institution that is an S corporation or a corporation organized on a mutual basis, the Secretary may adjust the dividend or interest rate on the financial instrument to be issued to the Secretary, from the dividend or interest rate that would apply under subparagraphs (A) through (F), to take into account any differential tax treatment of securities issued by such eligible institution. For purpose of this subparagraph, the term ''S corporation'' has the same meaning as in section 1361(a) of the Internal Revenue Code of 1986.

(H) REPAYMENT DEADLINE.—The capital investment received by an eligible institution under the Program shall be evidenced by preferred stock or other financial instrument that—

(i) includes, as a term and condition, that the capital investment will—

(I) be repaid not later than the end of the 10-year period beginning on the date of the capital investment under the Program; or

(II) at the end of such 10-year period, be subject to such additional terms as the Secretary shall prescribe, which shall include a requirement that the stock or instrument shall carry the highest dividend or interest rate payable; and

(ii) provides that the term and condition described under clause (i) shall not apply if the application of that term and condition would adversely affect the capital treatment of the stock or financial instrument under current or successor applicable capital provisions compared to a capital instrument with identical terms other than the term and condition described under clause (i).

(I) REQUIREMENTS ON FINANCIAL INSTRUMENTS ISSUED BY A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION LOAN FUND.—Any equity equivalent capital issued to the Treasury by a community development loan fund receiving a capital investment under the Program shall provide that the rate at which interest is payable shall be 2 percent per annum for 8 years. After 8 years, the rate at which interest is payable shall be 9 percent.

(5) ADDITIONAL INCENTIVES TO REPAY.—The Secretary may, by regulation or guidance issued under section 3104(9), establish repayment incentives in addition to the incentive in paragraph (4)(E) that will apply to new capital investments in a manner that the Secretary determines to be consistent with the purposes of this subtitle.

(6) CAPITAL PURCHASE PROGRAM REFINANCE.—

(A) IN GENERAL.—The Secretary shall, in a manner that the Secretary determines to be consistent with the purposes of this subtitle, issue regulations and other guidance to permit eligible institutions to refinance securities issued to Treasury under the CDCI and the CPP for securities to be issued under the Program.

(B) PROHIBITION ON PARTICIPATION BY NONPAYING CPP PARTICIPANTS.—Subparagraph (A) shall not apply to any eligible institution that has missed more than one dividend payment due under the CPP. For purposes of this subparagraph, a CPP dividend payment that is submitted within 60 days of the due date of such payment shall not be considered a missed dividend payment.

(7) OUTREACH TO MINORITIES, WOMEN, AND VETERANS.—The Secretary shall require eligible institutions receiving capital investments under the Program to provide linguistically and culturally appropriate outreach and advertising in the applicant pool describing the availability and application process of receiving loans from the eligible institution that are made possible by the Program through the use of print, radio, television or electronic media outlets which target organizations, trade associations, and individuals that—

(A) represent or work within or are members of minority communities;

(B) represent or work with or are women; and

(C) represent or work with or are veterans.

(8) ADDITIONAL TERMS.—The Secretary may, by regulation or guidance issued under section 3104(9), make modifications that will apply to new capital investments in order to manage risks associated with the administration of the Fund in a manner consistent with the purposes of this subtitle.

(9) MINIMUM UNDERWRITING STANDARDS.—The appropriate Federal banking agency for an eligible institution that receives funds under the Program shall within 60 days issue guidance regarding prudent underwriting standards that must be used for loans made by the eligible institution using such funds..

SEC. 3104. ADDITIONAL AUTHORITIES OF THE SECRETARY.

The Secretary may take such actions as the Secretary deems necessary to carry out the authorities in this subtitle, including, without limitation, the following:

(1) The Secretary may use the services of any agency or instrumentality of the United States or component thereof on a reimbursable basis, and any such agency or instrumentality or component thereof is authorized to provide services as requested by the Secretary using all authorities vested in or delegated to that agency, instrumentality, or component.

(2) The Secretary may enter into contracts, including contracts for services authorized by section 3109 of title 5, United States Code.

(3) The Secretary may designate any bank, savings association, trust company, security broker or dealer, asset manager, or investment adviser as a financial agent of the Federal Government and such institution shall perform all such reasonable duties related to this subtitle as financial agent of the Federal Government as may be required. The Secretary shall have authority to amend existing agreements with financial agents, entered into during the 2-year period before the date of enactment of this Act, to perform reasonable duties related to this subtitle.

(4) The Secretary may exercise any rights received in connection with any preferred stock or other financial instruments or assets purchased or acquired pursuant to the authorities granted under this subtitle.

(5) Subject to section 3103(b)(3), the Secretary may manage any assets purchased under this subtitle, including revenues and portfolio risks therefrom.

(6) The Secretary may sell, dispose of, transfer, exchange or enter into securities loans, repurchase transactions, or other financial transactions in regard to, any preferred stock or other financial instrument or asset purchased or acquired under this subtitle, upon terms and conditions and at a price determined by the Secretary.

(7) The Secretary may manage or prohibit conflicts of interest that may arise in connection with the administration and execution of the authorities provided under this subtitle.

(8) The Secretary may establish and use vehicles, subject to supervision by the Secretary, to purchase, hold, and sell preferred stock or other financial instruments and issue obligations.

(9) The Secretary may, in consultation with the Administrator of the Small Business Administration, issue such regulations and other guidance as may be necessary or appropriate to define terms or carry out the authorities or purposes of this subtitle.

SEC. 3105. CONSIDERATIONS.

In exercising the authorities granted in this subtitle, the Secretary shall take into consideration—

(1) increasing the availability of credit for small businesses;

(2) providing funding to minority-owned eligible institutions and other eligible institutions that serve small businesses that are minority-, veteran-, and women-owned and that also serve low- and moderate-income, minority, and other underserved or rural communities;

(3) protecting and increasing American jobs;

(4) increasing the opportunity for small business development in areas with high unemployment rates that exceed the national average;

(5) ensuring that all eligible institutions may apply to participate in the program established under this subtitle, without discrimination based on geography;

(6) providing transparency with respect to use of funds provided under this subtitle;

(7) minimizing the cost to taxpayers of exercising the authorities;

(8) promoting and engaging in financial education to would-be borrowers; and

(9) providing funding to eligible institutions that serve small businesses directly affected by the discharge of oil arising from the explosion on and sinking of the mobile offshore drilling unit Deepwater Horizon and small businesses in communities that have suffered negative economic effects as a result of that discharge with particular consideration to States along the coast of the Gulf of Mexico.

SEC. 3106. REPORTS.

The Secretary shall provide to the appropriate committees of Congress—

(1) within 7 days of the end of each month commencing with the first month in which transactions are made under the Program, a written report describing all of the transactions made during the reporting period pursuant to the authorities granted under this subtitle;

(2) after the end of March and the end of September, commencing September 30, 2010, a written report on all projected costs and liabilities, all operating expenses, including compensation for financial agents, and all transactions made by the Fund, which shall include participating institutions and amounts each institution has received under the Program; and

(3) within 7 days of the end of each calendar quarter commencing with the first calendar quarter in which transactions are made under the Program, a written report detailing how eligible institutions participating in the Program have used the funds such institutions received under the Program.

SEC. 3107. OVERSIGHT AND AUDITS.

(a) INSPECTOR GENERAL OVERSIGHT.—The Inspector General of the Department of the Treasury shall conduct, supervise, and coordinate audits and investigations of the Program through the Office of Small Business Lending Fund Program Oversight established under subsection (b).

(b) OFFICE OF SMALL BUSINESS LENDING FUND PROGRAM OVERSIGHT.—

(1) ESTABLISHMENT.—There is hereby established within the Office of the Inspector General of the Department of the Treasury a new office to be named the ''Office of Small Business Lending Fund Program Oversight'' to provide oversight of the Program.

(2) LEADERSHIP.—The Inspector General shall appoint a Special Deputy Inspector General for SBLF Program Oversight to lead the Office, with commensurate staff, who shall report directly to the Inspector General and who shall be responsible for the performance of all auditing and investigative activities relating to the Program.

(3) REPORTING.—

(A) IN GENERAL.—The Inspector General shall issue a report no less than two times a year to the Congress and the Secretary devoted to the oversight provided by the Office, including any recommendations for improvements to the Program.

(B) RECOMMENDATIONS.—With respect to any deficiencies identified in a report under subparagraph (A), the Secretary shall either—

(i) take actions to address such deficiencies; or

(ii) certify to the appropriate committees of Congress that no action is necessary or appropriate.

(4) COORDINATION.—The Inspector General, in maximizing the effectiveness of the Office, shall work with other Offices of Inspector General, as appropriate, to minimize duplication of effort and ensure comprehensive oversight of the Program.

(5) TERMINATION.—The Office shall terminate at the end of the 6-month period beginning on the date on which all capital investments are repaid under the Program or the date on which the Secretary determines that any remaining capital investments will not be repaid.

(6) DEFINITIONS.—For purposes of this subsection:

(A) OFFICE.—The term ''Office'' means the Office of Small Business Lending Fund Program Oversight established under paragraph (1).

(B) INSPECTOR GENERAL.—The term ''Inspector General'' means the Inspector General of the Department of the Treasury.

(c) GAO AUDIT.—The Comptroller General of the United States shall perform an annual audit of the Program and issue a report to the appropriate committees of Congress containing the results of such audit.

(d) REQUIRED CERTIFICATIONS.—

(1) ELIGIBLE INSTITUTION CERTIFICATION.—Each eligible institution that participates in the Program must certify that such institution is in compliance with the requirements of section 103.121 of title 31, Code of Federal Regulations, a regulation that, at a minimum, requires financial institutions, as that term is defined in 31 U.S.C. 5312(a)(2) and (c)(1)(A), to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify the person's identity, and determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency.

(2) LOAN RECIPIENTS.—With respect to funds received by an eligible institution under the Program, any business receiving a loan from the eligible institution using such funds after the date of the enactment of this Act shall certify to such eligible institution that the principals of such business have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

(e) PROHIBITION ON PORNOGRAPHY.—None of the funds made available under this subtitle may be used to pay the salary of any individual engaged in activities related to the Program who has been officially disciplined for violations of subpart G of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including child pornography, on a Federal Government computer or while performing official Federal Government duties.

SEC. 3108. CREDIT REFORM; FUNDING.

(a) CREDIT REFORM.—The cost of purchases of preferred stock and other financial instruments made as capital investments under this subtitle shall be determined as provided under the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

(b) FUNDS MADE AVAILABLE.—There are hereby appropriated, out of funds in the Treasury not otherwise appropriated, such sums as may be necessary to pay the costs of $30,000,000,000 of capital investments in eligible institutions, including the costs of modifying such investments, and reasonable costs of administering the program of making, holding, managing, and selling the capital investments.

SEC. 3109. TERMINATION AND CONTINUATION OF AUTHORITIES.

(a) TERMINATION OF INVESTMENT AUTHORITY.—The authority to make capital investments in eligible institutions, including commitments to purchase preferred stock or other instruments, provided under this subtitle shall terminate 1 year after the date of enactment of this Act.

(b) CONTINUATION OF OTHER AUTHORITIES.—The authorities of the Secretary under section 3104 shall not be limited by the termination date in subsection (a).

SEC. 3110. PRESERVATION OF AUTHORITY.

Nothing in this subtitle may be construed to limit the authority of the Secretary under any other provision of law.

SEC. 3111. ASSURANCES.

(a) SMALL BUSINESS LENDING FUND SEPARATE FROM TARP.—The Small Business Lending Fund Program is established as separate and distinct from the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008. An institution shall not, by virtue of a capital investment under the Small Business Lending Fund Program, be considered a recipient of the Troubled Asset Relief Program.

(b) CHANGE IN LAW.—If, after a capital investment has been made in an eligible institution under the Program, there is a change in law that modifies the terms of the investment or program in a materially adverse respect for the eligible institution, the eligible institution may, after consultation with the appropriate Federal banking agency for the eligible institution, repay the investment without impediment.

SEC. 3112. STUDY AND REPORT WITH RESPECT TO WOMEN-OWNED, VETERAN-OWNED, AND MINORITY-OWNED BUSINESSES.

(a) STUDY.—The Secretary shall conduct a study of the impact of the Program on women-owned businesses, veteran-owned businesses, and minority-owned businesses.

(b) REPORT.—Not later than one year after the date of enactment of this Act, the Secretary shall submit to Congress a report on the results of the study conducted pursuant to subsection (a). To the extent possible, the Secretary shall disaggregate the results of such study by ethnic group and gender.

(c) INFORMATION PROVIDED TO THE SECRETARY.—Eligible institutions that participate in the Program shall provide the Secretary with such information as the Secretary may require to carry out the study required by this section.

SEC. 3113. SENSE OF CONGRESS.

It is the sense of Congress that the Federal Deposit Insurance Corporation and other bank regulators are sending mixed messages to banks regarding regulatory capital requirements and lending standards, which is a contributing cause of decreased small business lending and increased regulatory uncertainty at community banks.

Subtitle B—State Small Business Credit Initiative

SEC. 3201. SHORT TITLE.

This subtitle may be cited as the ''State Small Business Credit Initiative Act of 2010''.

SEC. 3202. DEFINITIONS.

In this subtitle, the following definitions shall apply:

(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means—

(A) the Committee on Small Business and Entrepreneurship, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Budget, and the Committee on Appropriations of the Senate; and

(B) the Committee on Small Business, the Committee on Agriculture, the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives.

(2) APPROPRIATE FEDERAL BANKING AGENCY.—The term ''appropriate Federal banking agency''—

(A) has the same meaning as in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)); and

(B) includes the National Credit Union Administration Board in the case of any credit union the deposits of which are insured in accordance with the Federal Credit Union Act.

(3) ENROLLED LOAN.—The term ''enrolled loan'' means a loan made by a financial institution lender that is enrolled by a participating State in an approved State capital access program in accordance with this subtitle.

(4) FEDERAL CONTRIBUTION.—The term ''Federal contribution'' means the portion of the contribution made by a participating State to, or for the account of, an approved State program that is made with Federal funds allocated to the State by the Secretary under section 3203.

(5) FINANCIAL INSTITUTION.—The term ''financial institution'' means any insured depository institution, insured credit union, or community development financial institution, as those terms are each defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702).

(6) PARTICIPATING STATE.—The term ''participating State'' means any State that has been approved for participation in the Program under section 3204.

(7) PROGRAM.—The term ''Program'' means the State Small Business Credit Initiative established under this subtitle.

(8) QUALIFYING LOAN OR SWAP FUNDING FACILITY.—The term ''qualifying loan or swap funding facility'' means a contractual arrangement between a participating State and a private financial entity under which—

(A) the participating State delivers funds to the entity as collateral;

(B) the entity provides funding from the arrangement back to the participating State; and

(C) the full amount of resulting funding from the arrangement, less any fees and other costs of the arrangement, is contributed to, or for the account of, an approved State program.

(9) RESERVE FUND.—The term ''reserve fund'' means a fund, established by a participating State, dedicated to a particular financial institution lender, for the purposes of—

(A) depositing all required premium charges paid by the financial institution lender and by each borrower receiving a loan under an approved State program from that financial institution lender;

(B) depositing contributions made by the participating State, including State contributions made with Federal contributions; and

(C) covering losses on enrolled loans by disbursing accumulated funds.

(10) STATE.—The term ''State'' means—

(A) a State of the United States;

(B) the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of Northern Mariana Islands, Guam, American Samoa, and the United States Virgin Islands;

(C) when designated by a State of the United States, a political subdivision of that State that the Secretary determines has the capacity to participate in the Program; and

(D) under the circumstances described in section 3204(d), a municipality of a State of the United States to which the Secretary has given a special permission under section 3204(d).

(11) STATE CAPITAL ACCESS PROGRAM.—The term ''State capital access program'' means a program of a State that—

(A) uses public resources to promote private access to credit; and

(B) meets the eligibility criteria in section 3205(c).

(12) STATE OTHER CREDIT SUPPORT PROGRAM.—The term ''State other credit support program''—

(A) means a program of a State that—

(i) uses public resources to promote private access to credit;

(ii) is not a State capital access program; and

(iii) meets the eligibility criteria in section 3206(c); and

(B) includes, collateral support programs, loan participation programs, State-run venture capital fund programs, and credit guarantee programs.

(13) STATE PROGRAM.—The term ''State program'' means a State capital access program or a State other credit support program.

(14) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

SEC. 3203. FEDERAL FUNDS ALLOCATED TO STATES.

(a) PROGRAM ESTABLISHED; PURPOSE.—There is established the State Small Business Credit Initiative, to be administered by the Secretary. Under the Program, the Secretary shall allocate Federal funds to participating States and make the allocated funds available to the participating States as provided in this section for the uses described in this section.

(b) ALLOCATION FORMULA.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary shall allocate Federal funds to participating States so that each State is eligible to receive an amount equal to the average of the respective amounts that the State—

(A) would receive under the 2009 allocation, as determined under paragraph (2); and

(B) would receive under the 2010 allocation, as determined under paragraph (3).

(2) 2009 ALLOCATION FORMULA.—

(A) IN GENERAL.—The Secretary shall determine the 2009 allocation by allocating Federal funds among the States in the proportion that each such State's 2008 State employment decline bears to the aggregate of the 2008 State employment declines for all States.

(B) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under subparagraph (A) for each State to the extent necessary to ensure that no State receives less than 0.9 percent of the Federal funds.

(C) 2008 STATE EMPLOYMENT DECLINE DEFINED.—In this paragraph and with respect to a State, the term ''2008 State employment decline'' means the excess (if any) of—

(i) the number of individuals employed in such State determined for December 2007; over

(ii) the number of individuals employed in such State determined for December 2008.

(3) 2010 ALLOCATION FORMULA.—

(A) IN GENERAL.—The Secretary shall determine the 2010 allocation by allocating Federal funds among the States in the proportion that each such State's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all of the States.

(B) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under subparagraph (A) for each State to the extent necessary to ensure that no State receives less than 0.9 percent of the Federal funds.

(C) 2009 UNEMPLOYMENT NUMBER DEFINED.—In this paragraph and with respect to a State, the term ''2009 unemployment number'' means the number of individuals within such State who were determined to be unemployed by the Bureau of Labor Statistics for December 2009.

(c) AVAILABILITY OF ALLOCATED AMOUNT.—The amount allocated by the Secretary to each participating State under subsection (b) shall be made available to the State as follows:

(1) ALLOCATED AMOUNT GENERALLY TO BE AVAILABLE TO STATE IN ONE-THIRDS.—

(A) IN GENERAL.—The Secretary shall—

(i) apportion the participating State's allocated amount into thirds;

(ii) transfer to the participating State the first ⅓ when the Secretary approves the State for participation under section 3204; and

(iii) transfer to the participating State each successive ⅓ when the State has certified to the Secretary that it has expended, transferred, or obligated 80 percent of the last transferred ⅓ for Federal contributions to, or for the account of, State programs.

(B) AUTHORITY TO WITHHOLD PENDING AUDIT.—The Secretary may withhold the transfer of any successive ⅓ pending results of a financial audit.

(C) INSPECTOR GENERAL AUDITS.—

(i) IN GENERAL.—The Inspector General of the Department of the Treasury shall carry out an audit of the participating State's use of allocated Federal funds transferred to the State.

(ii) RECOUPMENT OF MISUSED TRANSFERRED FUNDS REQUIRED.—The allocation agreement between the Secretary and the participating State shall provide that the Secretary shall recoup any allocated Federal funds transferred to the participating State if the results of the an audit include a finding that there was an intentional or reckless misuse of transferred funds by the State.

(iii) PENALTY FOR MISSTATEMENT.—Any participating State that is found to have intentionally misstated any report issued to the Secretary under the Program shall be ineligible to receive any additional funds under the Program. Funds that had been allocated or that would otherwise have been allocated to such participating State shall be paid into the general fund of the Treasury for reduction of the public debt.

(iv) MUNICIPALITIES.—In this subparagraph, the term ''participating State'' shall include a municipality given special permission to participate in the Program, under section 3204(d).

(D) EXCEPTION.—The Secretary may, in the Secretary's discretion, transfer the full amount of the participating State's allocated amount to the State in a single transfer if the participating State applies to the Secretary for approval to use the full amount of the allocation as collateral for a qualifying loan or swap funding facility.

(2) TRANSFERRED AMOUNTS.—Each amount transferred to a participating State under this section shall remain available to the State until used by the State as permitted under paragraph (3).

(3) USE OF TRANSFERRED FUNDS.—Each participating State may use funds transferred to it under this section only—

(A) for making Federal contributions to, or for the account of, an approved State program;

(B) as collateral for a qualifying loan or swap funding facility;

(C) in the case of the first ⅓ transferred, for paying administrative costs incurred by the State in implementing an approved State program in an amount not to exceed 5 percent of that first ⅓; or

(D) in the case of each successive ⅓ transferred, for paying administrative costs incurred by the State in implementing an approved State program in an amount not to exceed 3 percent of that successive ⅓.

(4) TERMINATION OF AVAILABILITY OF AMOUNTS NOT TRANSFERRED WITHIN 2 YEARS OF PARTICIPATION.—Any portion of a participating State's allocated amount that has not been transferred to the State under this section by the end of the 2-year period beginning on the date that the Secretary approves the State for participation may be deemed by the Secretary to be no longer allocated to the State and no longer available to the State and shall be returned to the General Fund of the Treasury.

(5) TRANSFERRED AMOUNTS NOT ASSISTANCE.—The amounts transferred to a participating State under this section shall not be considered assistance for purposes of subtitle V of title 31, United States Code.

(6) DEFINITIONS.—In this section—

(A) the term ''allocated amount'' means the total amount of Federal funds allocated by the Secretary under subsection (b) to the participating State; and

(B) the term ''⅓'' means—

(i) in the case of the first ⅓ and second ⅓, an amount equal to 33 percent of a participating State's allocated amount; and

(ii) in the case of the last ⅓, an amount equal to 34 percent of a participating State's allocated amount.

SEC. 3204. APPROVING STATES FOR PARTICIPATION.

(a) APPLICATION.—Any State may apply to the Secretary for approval to be a participating State under the Program and to be eligible for an allocation of Federal funds under the Program.

(b) GENERAL APPROVAL CRITERIA.—The Secretary shall approve a State to be a participating State, if—

(1) a specific department, agency, or political subdivision of the State has been designated to implement a State program and participate in the Program;

(2) all legal actions necessary to enable such designated department, agency, or political subdivision to implement a State program and participate in the Program have been accomplished;

(3) the State has filed an application with the Secretary for approval of a State capital access program under section 3205 or approval as a State other credit support program under section 3206, in each case within the time period provided in the respective section; and

(4) the State and the Secretary have executed an allocation agreement that—

(A) conforms to the requirements of this subtitle;

(B) ensures that the State program complies with such national standards as are established by the Secretary under section 3209(a)(2);

(C) sets forth internal control, compliance, and reporting requirements as established by the Secretary, and such other terms and conditions necessary to carry out the purposes of this subtitle, including an agreement by the State to allow the Secretary to audit State programs;

(D) requires that the State program be fully positioned, within 90 days of the State's execution of the allocation agreement with the Secretary, to act on providing the kind of credit support that the State program was established to provide; and

(E) includes an agreement by the State to deliver to the Secretary, and update annually, a schedule describing how the State intends to apportion among its State programs the Federal funds allocated to the State.

(c) CONTRACTUAL ARRANGEMENTS FOR IMPLEMENTATION OF STATE PROGRAMS.—A State may be approved to be a participating State, and be eligible for an allocation of Federal funds under the Program, if the State has contractual arrangements for the implementation and administration of its State program with—

(1) an existing, approved State program administered by another State; or

(2) an authorized agent of, or entity supervised by, the State, including for-profit and not-for-profit entities.

(d) SPECIAL PERMISSION.—

(1) CIRCUMSTANCES WHEN A MUNICIPALITY MAY APPLY DIRECTLY.—If a State does not, within 60 days after the date of enactment of this Act, file with the Secretary a notice of its intent to apply for approval by the Secretary of a State program or within 9 months after the date of enactment of this Act, file with the Secretary a complete application for approval of a State program, the Secretary may grant to municipalities of that State a special permission that will allow them to apply directly to the Secretary without the State for approval to be participating municipalities.

(2) TIMING REQUIREMENTS APPLICABLE TO MUNICIPALITIES APPLYING DIRECTLY.—To qualify for the special permission, a municipality of a State shall be required, within 12 months after the date of enactment of this Act, to file with the Secretary a complete application for approval by the Secretary of a State program.

(3) NOTICES OF INTENT AND APPLICATIONS FROM MORE THAN 1 MUNICIPALITY.—A municipality of a State may combine with 1 or more other municipalities of that State to file a joint notice of intent to file and a joint application.

(4) APPROVAL CRITERIA.—The general approval criteria in paragraphs (2) and (4) shall apply.

(5) ALLOCATION TO MUNICIPALITIES.—

(A) IF MORE THAN 3.—If more than 3 municipalities, or combination of municipalities as provided in paragraph (3), of a State apply for approval by the Secretary to be participating municipalities under this subsection, and the applications meet the approval criteria in paragraph (4), the Secretary shall allocate Federal funds to the 3 municipalities with the largest populations.

(B) IF 3 OR FEWER.—If 3 or fewer municipalities, or combination of municipalities as provided in paragraph (3), of a State apply for approval by the Secretary to be participating municipalities under this subsection, and the applications meet the approval criteria in paragraph (4), the Secretary shall allocate Federal funds to each applicant municipality or combination of municipalities.

(6) APPORTIONMENT OF ALLOCATED AMOUNT AMONG PARTICIPATING MUNICIPALITIES.—If the Secretary approves municipalities to be participating municipalities under this subsection, the Secretary shall apportion the full amount of the Federal funds that are allocated to that State to municipalities that are approved under this subsection in amounts proportionate to the population of those municipalities, based on the most recent available decennial census.

(7) APPROVING STATE PROGRAMS FOR MUNICIPALITIES.—If the Secretary approves municipalities to be participating municipalities under this subsection, the Secretary shall take into account the additional considerations in section 3206(d) in making the determination under section 3205 or 3206 that the State program or programs to be implemented by the participating municipalities, including a State capital access program, is eligible for Federal contributions to, or for the account of, the State program.

SEC. 3205. APPROVING STATE CAPITAL ACCESS PROGRAMS.

(a) APPLICATION.—A participating State that establishes a new, or has an existing, State capital access program that meets the eligibility criteria in subsection (c) may apply to Secretary to have the State capital access program approved as eligible for Federal contributions to the reserve fund.

(b) APPROVAL.—The Secretary shall approve such State capital access program as eligible for Federal contributions to the reserve fund if—

(1) within 60 days after the date of enactment of this Act, the State has filed with the Secretary a notice of intent to apply for approval by the Secretary of a State capital access program;

(2) within 9 months after the date of enactment of this Act, the State has filed with the Secretary a complete application for approval by the Secretary of a capital access program;

(3) the State satisfies the requirements of subsections (a) and (b) of section 3204; and

(4) the State capital access program meets the eligibility criteria in subsection (c).

(c) ELIGIBILITY CRITERIA FOR STATE CAPITAL ACCESS PROGRAMS.— For a State capital access program to be approved under this section, that program shall be required to be a program of the State that—

(1) provides portfolio insurance for business loans based on a separate loan-loss reserve fund for each financial institution;

(2) requires insurance premiums to be paid by the financial institution lenders and by the business borrowers to the reserve fund to have their loans enrolled in the reserve fund;

(3) provides for contributions to be made by the State to the reserve fund in amounts at least equal to the sum of the amount of the insurance premium charges paid by the borrower and the financial institution to the reserve fund for any newly enrolled loan; and

(4) provides its portfolio insurance solely for loans that meet both the following requirements:

(A) The borrower has 500 employees or less at the time that the loan is enrolled in the Program.

(B) The loan amount does not exceed $5,000,000.

(d) FEDERAL CONTRIBUTIONS TO APPROVED STATE CAPITAL ACCESS PROGRAMS.—A State capital access program approved under this section will be eligible for receiving Federal contributions to the reserve fund in an amount equal to the sum of the amount of the insurance premium charges paid by the borrowers and by the financial institution to the reserve fund for loans that meet the requirements in subsection (c)(4). A participating State may use the Federal contribution to make its contribution to the reserve

fund of an approved State capital access program.

(e) MINIMUM PROGRAM REQUIREMENTS FOR STATE CAPITAL ACCESS PROGRAMS.—The Secretary shall, by regulation or other guidance, prescribe Program requirements that meet the following minimum requirements:

(1) EXPERIENCE AND CAPACITY.—The participating State shall determine for each financial institution that participates in the State capital access program, after consultation with the appropriate Federal banking agency or, in the case of a financial institution that is a nondepository community development financial institution, the Community Development Financial Institution Fund, that the financial institution has sufficient commercial lending experience and financial and managerial capacity to participate in the approved State capital access program. The determination by the State shall not be reviewable by the Secretary.

(2) INVESTMENT AUTHORITY.—Subject to applicable State law, the participating State may invest, or cause to be invested, funds held in a reserve fund by establishing a deposit account at the financial institution lender in the name of the participating State. In the event that funds in the reserve fund are not deposited in such an account, such funds shall be invested in a form that the participating State determines is safe and liquid.

(3) LOAN TERMS AND CONDITIONS TO BE DETERMINED BY AGREEMENT.—A loan to be filed for enrollment in an approved State capital access program may be made with such interest rate, fees, and other terms and conditions, and the loan may be enrolled in the approved State capital access program and claims may be filed and paid, as agreed upon by the financial institution lender and the borrower, consistent with applicable law.

(4) LENDER CAPITAL AT-RISK.—A loan to be filed for enrollment in the State capital access program shall require the financial institution lender to have a meaningful amount of its own capital resources at risk in the loan.

(5) PREMIUM CHARGES MINIMUM AND MAXIMUM AMOUNTS.—The insurance premium charges payable to the reserve fund by the borrower and the financial institution lender shall be prescribed by the financial institution lender, within minimum and maximum limits that require that the sum of the insurance premium charges paid in connection with a loan by the borrower and the financial institution lender may not be less than 2 percent nor more than 7 percent of the amount of the loan enrolled in the approved State capital access program.

(6) STATE CONTRIBUTIONS.—In enrolling a loan in an approved State capital access program, the participating State may make a contribution to the reserve fund to supplement Federal contributions made under this Program.

(7) LOAN PURPOSE.—

(A) PARTICULAR LOAN PURPOSE REQUIREMENTS AND PROHIBITIONS.—In connection with the filing of a loan for enrollment in an approved State capital access program, the financial institution lender—

(i) shall obtain an assurance from each borrower that—

(I) the proceeds of the loan will be used for a business purpose;

(II) the loan will not be used to finance such business activities as the Secretary, by regulation, may proscribe as prohibited loan purposes for enrollment in an approved State capital access program; and

(III) the borrower is not—

(aa) an executive officer, director, or principal shareholder of the financial institution lender;

(bb) a member of the immediate family of an executive officer, director, or principal shareholder of the financial institution lender; or

(cc) a related interest of any such executive officer, director, principal shareholder, or member of the immediate family;

(ii) shall provide assurances to the participating State that the loan has not been made in order to place under the protection of the approved State capital access program prior debt that is not covered under the approved State capital access program and that is or was owed by the borrower to the financial institution lender or to an affiliate of the financial institution lender;

(iii) shall not allow the enrollment of a loan to a borrower that is a refinancing of a loan previously made to that borrower by the financial institution lender or an affiliate of the financial institution lender; and

(iv) may include additional restrictions on the eligibility of loans or borrowers that are not inconsistent with the provisions and purposes of this subtitle, including compliance with all applicable Federal and State laws, regulations, ordinances, and Executive orders.

(B) DEFINITIONS.—In this paragraph, the terms ''executive officer'', ''director'', ''principal shareholder'', ''immediate family'', and ''related interest'' refer to the same relationship to a financial institution lender as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.

(8) CAPITAL ACCESS FOR SMALL BUSINESSES IN UNDERSERVED COMMUNITIES.—At the time that a State applies to the Secretary to have the State capital access program approved as eligible for Federal contributions, the State shall deliver to the Secretary a report stating how the State plans to use the Federal contributions to the reserve fund to provide access to capital for small businesses in low- and moderate-income, minority, and other underserved communities, including women- and minority-owned small businesses.

SEC. 3206. APPROVING COLLATERAL SUPPORT AND OTHER INNOVATIVE CREDIT ACCESS AND GUARANTEE INITIATIVES FOR SMALL BUSINESSES AND MANUFACTURERS.

(a) APPLICATION.—A participating State that establishes a new, or has an existing, credit support program that meets the eligibility criteria in subsection (c) may apply to the Secretary to have the State other credit support program approved as eligible for Federal contributions to, or for the account of, the State program.

(b) APPROVAL.—The Secretary shall approve such State other credit support program as eligible for Federal contributions to, or for the account of, the program if—

(1) the Secretary determines that the State satisfies the requirements of paragraphs (1) through (3) of section 3205(b);

(2) the Secretary determines that the State other credit support program meets the eligibility criteria in subsection (c);

(3) the Secretary determines the State other credit support program to be eligible based on the additional considerations in subsection (d); and

(4) within 9 months after the date of enactment of this Act, the State has filed with Treasury a complete application for Treasury approval.

(c) ELIGIBILITY CRITERIA FOR STATE OTHER CREDIT SUPPORT PROGRAMS.—For a State other credit support program to be approved under this section, that program shall be required to be a program of the State that—

(1) can demonstrate that, at a minimum, $1 of public investment by the State program will cause and result in $1 of new private credit;

(2) can demonstrate a reasonable expectation that, when considered with all other State programs of the State, such State programs together have the ability to use amounts of new Federal contributions to, or for the account of, all such programs in the State to cause and result in amounts of new small business lending at least 10 times the new Federal contribution amount;

(3) for those State other credit support programs that provide their credit support through 1 or more financial institution lenders, requires the financial institution lenders to have a meaningful amount of their own capital resources at risk in their small business lending; and

(4) uses Federal funds allocated under this subtitle to extend credit support that—

(A) targets an average borrower size of 500 employees or less;

(B) does not extend credit support to borrowers that have more than 750 employees;

(C) targets support towards loans with an average principal amount of $5,000,000 or less; and

(D) does not extend credit support to loans that exceed a principal amount of $20,000,000.

(d) ADDITIONAL CONSIDERATIONS.—In making a determination that a State other credit support program is eligible for Federal contributions to, or for the account of, the State program, the Secretary shall take into account the following additional considerations:

(1) The anticipated benefits to the State, its businesses, and its residents to be derived from the Federal contributions to, or for the account of, the approved State other credit support program, including the extent to which resulting small business lending will expand economic opportunities.

(2) The operational capacity, skills, and experience of the management team of the State other credit support program.

(3) The capacity of the State other credit support program to manage increases in the volume of its small business lending.

(4) The internal accounting and administrative controls systems of the State other credit support program, and the extent to which they can provide reasonable assurance that funds of the State program are safeguarded against waste, loss, unauthorized use, or misappropriation.

(5) The soundness of the program design and implementation plan of the State other credit support program.

(e) FEDERAL CONTRIBUTIONS TO APPROVED STATE OTHER CREDIT SUPPORT PROGRAMS.—A State other credit support program approved under this section will be eligible for receiving Federal contributions to, or for the account of, the State program in an amount consistent with the schedule describing the apportionment of allocated Federal funds among State programs delivered by the State to the Secretary under the allocation agreement.

(f) MINIMUM PROGRAM REQUIREMENTS FOR STATE OTHER CREDIT SUPPORT PROGRAMS.—

(1) FUND TO PRESCRIBE.—The Secretary shall, by regulation or other guidance, prescribe Program requirements for approved State other credit support programs.

(2) CONSIDERATIONS FOR FUND.—In prescribing minimum Program requirements for approved State other credit support programs, the Secretary shall take into consideration, to the extent the Secretary determines applicable and appropriate, the minimum Program requirements for approved State capital access programs in section 3205(e).

SEC. 3207. REPORTS.

(a) QUARTERLY USE-OF-FUNDS REPORT.—

(1) IN GENERAL.—Not later than 30 days after the beginning of each calendar quarter,

beginning after the first full calendar quarter to occur after the date the Secretary approves a State for participation, the participating State shall submit to the Secretary a report on the use of Federal funding by the participating State during the previous calendar quarter.

(2) REPORT CONTENTS.—Each report under this subsection shall—

(A) indicate the total amount of Federal funding used by the participating State; and

(B) include a certification by the participating State that—

(i) the information provided in accordance with subparagraph (A) is accurate;

(ii) funds continue to be available and legally committed to contributions by the State to, or for the account of, approved State programs, less any amount that has been contributed by the State to, or for the account of, approved State programs subsequent to the State being approved for participation in the Program; and

(iii) the participating State is implementing its approved State program or programs in accordance with this subtitle and regulations issued under section 3210.

(b) ANNUAL REPORT.—Not later than March 31 of each year, beginning March 31, 2011, each participating State shall submit to the Secretary an annual report that shall include the following information:

(1) The number of borrowers that received new loans originated under the approved State program or programs after the State program was approved as eligible for Federal contributions.

(2) The total amount of such new loans.

(3) Breakdowns by industry type, loan size, annual sales, and number of employees of the borrowers that received such new loans.

(4) The zip code of each borrower that received such a new loan.

(5) Such other data as the Secretary, in the Secretary's sole discretion, may require to carry out the purposes of the Program.

(c) FORM.—The reports and data filed under subsections (a) and (b) shall be in such form as the Secretary, in the Secretary's sole discretion, may require.

(d) TERMINATION OF REPORTING REQUIREMENTS.—The requirement to submit reports under subsections (a) and (b) shall terminate for a participating State with the submission of the completed reports due on the first March 31 to occur after 5 complete 12-month periods after the State is approved by the Secretary to be a participating State.

SEC. 3208. REMEDIES FOR STATE PROGRAM TERMINATION OR FAILURES.

(a) REMEDIES.—

(1) IN GENERAL.—If any of the events listed in paragraph (2) occur, the Secretary, in the Secretary's discretion, may—

(A) reduce the amount of Federal funds allocated to the State under the Program; or

(B) terminate any further transfers of allocated amounts that have not yet been transferred to the State.

(2) CAUSAL EVENTS.—The events referred to in paragraph (1) are—

(A) termination by a participating State of its participation in the Program;

(B) failure on the part of a participating State to submit complete reports under section 3207 on a timely basis; or

(C) noncompliance by the State with the terms of the allocation agreement between the Secretary and the State.

(b) DEALLOCATED AMOUNTS TO BE REALLOCATED.—If, after 13 months, any portion of the amount of Federal funds allocated to a participating State is deemed by the Secretary to be no longer allocated to the State after actions taken by the Secretary under subsection (a)(1), the Secretary shall reallocate that portion among the participating States, excluding the State whose allocated funds were deemed to be no longer allocated, as provided in section 3203(b).

SEC. 3209. IMPLEMENTATION AND ADMINISTRATION.

(a) GENERAL AUTHORITIES AND DUTIES.—The Secretary shall—

(1) consult with the Administrator of the Small Business Administration and the appropriate Federal banking agencies on the administration of the Program;

(2) establish minimum national standards for approved State programs;

(3) provide technical assistance to States for starting State programs and generally disseminate best practices;

(4) manage, administer, and perform necessary program integrity functions for the Program; and

(5) ensure adequate oversight of the approved State programs, including oversight of the cash flows, performance, and compliance of each approved State program.

(b) APPROPRIATIONS.—There is hereby appropriated to the Secretary, out of funds in the Treasury not otherwise appropriated, $900,000,000 to carry out the Program, including to pay reasonable costs of administering the Program.

(c) TERMINATION OF SECRETARY'S PROGRAM ADMINISTRATION FUNCTIONS.—The authorities and duties of the Secretary to implement and administer the Program shall terminate at the end of the 7-year period beginning on the date of enactment of this Act.

(d) EXPEDITED CONTRACTING.—During the 1-year period beginning on the date of enactment of this Act, the Secretary may enter into contracts without regard to any other provision of law regarding public contracts, for purposes of carrying out this subtitle.

SEC. 3210. REGULATIONS.

The Secretary, in consultation with the Administrator of the Small Business Administration, shall issue such regulations and other guidance as the Secretary determines necessary or appropriate to implement this subtitle including to define terms, to establish compliance and reporting requirements, and such other terms and conditions necessary to carry out the purposes of this subtitle.

SEC. 3211. OVERSIGHT AND AUDITS.

(a) INSPECTOR GENERAL OVERSIGHT.—The Inspector General of the Department of the Treasury shall conduct, supervise, and coordinate audits and investigations of the use of funds made available under the Program.

(b) GAO AUDIT.—The Comptroller General of the United States shall perform an annual audit of the Program and issue a report to the appropriate committees of Congress containing the results of such audit.

(c) REQUIRED CERTIFICATION.—

(1) FINANCIAL INSTITUTIONS CERTIFICATION.—With respect to funds received by a participating State under the Program, any financial institution that receives a loan, a loan guarantee, or other financial assistance using such funds after the date of the enactment of this Act shall certify that such institution is in compliance with the requirements of section 103.121 of title 31, Code of Federal Regulations, a regulation that, at a minimum, requires financial institutions, as that term is defined in section 5312 (a)(2) and (c)(1)(A) of title 31, United States Code, to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify the person's identity, and determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency.

(2) SEX OFFENSE CERTIFICATION.—With respect to funds received by a participating State under the Program, any private entity that receives a loan, a loan guarantee, or other financial assistance using such funds after the date of the enactment of this Act shall certify to the participating State that the principals of such entity have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

(d) PROHIBITION ON PORNOGRAPHY.—None of the funds made available under this subtitle may be used to pay the salary of any individual engaged in activities related to the Program who has been officially disciplined for violations of subpart G of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including child pornography, on a Federal Government computer or while performing official Federal Government duties.

TITLE IV—BUDGETARY PROVISIONS

SEC. 4001. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go-Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

TITLE V

The provisions of the Act shall become effective upon enactment.

SA 4408. Mr. REID proposed an amendment to amendment SA 4407 proposed by Mr. REID (for himself, Mr. BAUCUS, and Ms. LANDRIEU) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; as follows:

At the end of the amendment, insert the following:

The provision of this Act shall become effective two days after enactment.

SA 4409. Mr. REID proposed an amendment to amendment SA 4408 proposed by Mr. REID to the amendment SA 4407 proposed by Mr. REID (for himself, Mr. BAUCUS, and Ms. LANDRIEU) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; as follows:

In the amendment, strike ''two days'' and insert ''immediately''.

SA 4410. Mr. KERRY (for himself and Mr. ENSIGN) submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make

capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. REMOVAL OF CELLULAR TELEPHONES AND SIMILAR TELECOMMUNICATIONS EQUIPMENT FROM LISTED PROPERTY; PARTIAL ANNUITIZATION OFFSET.

(a) REMOVAL FROM LISTED PROPERTY.—

(1) IN GENERAL.—Subparagraph (A) of section 280F(d)(4) of the Internal Revenue Code of 1986 (defining listed property) is amended by adding ''and'' at the end of clause (iv), by striking clause (v), and by redesignating clause (vi) as clause (v).

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2009.

(b) SPECIAL RULES FOR ANNUITIES RECEIVED FROM ONLY A PORTION OF A CONTRACT.—

(1) IN GENERAL.—Subsection (a) of section 72 of the Internal Revenue Code of 1986 is amended to read as follows:

''(a) GENERAL RULES FOR ANNUITIES.—

''(1) INCOME INCLUSION.—Except as otherwise provided in this chapter, gross income includes any amount received as an annuity (whether for a period certain or during one or more lives) under an annuity, endowment, or life insurance contract.

''(2) PARTIAL ANNUITIZATION.—If any amount is received as an annuity for a period of 10 years or more or during one or more lives under any portion of an annuity, endowment, or life insurance contract—

''(A) such portion shall be treated as a separate contract for purposes of this section,

''(B) for purposes of applying subsections (b), (c), and (e), the investment in the contract shall be allocated pro rata between each portion of the contract from which amounts are received as an annuity and the portion of the contract from which amounts are not received as an annuity, and

''(C) a separate annuity starting date under subsection (c)(4) shall be determined with respect to each portion of the contract from which amounts are received as an annuity.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to amounts received in taxable years beginning after December 31, 2010.

SA 4411. Mr. BINGAMAN (for himself and Mr. KERRY) submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. __. ALLOWING LOW-INCOME HOUSING CREDITS TO OFFSET 100 PERCENT OF FEDERAL INCOME TAX LIABILITY.

(a) IN GENERAL.—Subsection (c) of section 38 of the Internal Revenue Code of 1986, as amended by this Act, is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

''(6) ALLOWING LOW-INCOME HOUSING CREDIT TO OFFSET 100 PERCENT OF FEDERAL INCOME TAX LIABILITY.—

''(A) IN GENERAL.—In the case of applicable low-income housing credits—

''(i) this section and section 39 shall be applied separately with respect to such credits, and

''(ii) in applying paragraph (1) to such credits—

''(I) the tentative minimum tax and the net regular tax liability shall be treated as being zero solely for purposes of applying subparagraphs (A) and (B) thereof, and

''(II) the limitation under paragraph (1) shall be the net income tax (as defined in paragraph (1) without regard to subclause (I) of this clause) reduced by the credit allowed under subsection (a) for the taxable year (other than the applicable low-income housing credits).

''(B) APPLICABLE LOW-INCOME HOUSING CREDITS.—For purposes of this subpart—

''(i) IN GENERAL.—The term 'applicable low-income housing credit' means the credit determined under section 42 for a taxable year ending after December 31, 2008, and beginning before January 1, 2011 (including carryforwards of such credit to such years) with respect to which the taxpayer elects the application of this subparagraph, and to the extent provided in subparagraph (D).

''(ii) ELIGIBLE TAXPAYERS.—Clause (i) shall not apply in the case of any taxpayer which is a government-sponsored enterprise (as defined in section 1004(f) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989).

''(C) ELECTION.—

''(i) IN GENERAL.—An election under this subparagraph may be made only with respect to 1 taxable year of the taxpayer.

''(ii) MANNER OF ELECTION.—Any election under this subparagraph shall be made in such manner as may be prescribed by the Secretary, and shall be made by the due date (including extensions of time) for filing the return (or any amendment thereto) for the taxpayer's last taxable year beginning in 2010. Any such election, once made, shall be irrevocable.

''(D) INVESTMENTS IN NEW SMALL BUSINESS PROJECTS.—

''(i) IN GENERAL.—Subparagraph (B) shall apply to credits under section 42 for a taxable year only—

''(I) if the taxpayer has, during the applicable period, entered into 1 or more binding commitments to invest equity with respect to investments in 1 or more future qualified small business projects (which are binding on the taxpayer and all successors in interest), directly or through a fund organized for the purpose of making such investments, which specify the dollar amount of each such commitment, and

''(II) to the extent such credits do not exceed the dollar amount of such investment commitments.

''(ii) APPLICABLE PERIOD.—For purposes of this subparagraph, the applicable period is the period beginning on June 1, 2010, and ending on the date which is 9 months after the date of the enactment of the Creating Small Business Jobs Act of 2010.

''(iii) QUALIFIED SMALL BUSINESS PROJECT.—For purposes of this subparagraph, the term 'qualified small business project' means a low-income housing project—

''(I) the eligible basis of which (as determined under section 42(d)) does not exceed $50,000,000,

''(II) the credit period of which begins after December 31, 2009,

''(III) for which the taxpayer has acquired ownership, and has contributed capital in an amount which is not less than 20 percent of the total amount of capital the taxpayer has committed to contribute, not later than December 31, 2011, and

''(IV) which has received an allocation of low-income housing credits under section 42 from a State housing credit agency not later than December 31, 2011.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2008, and to carrybacks of credits from such taxable years.

SEC. __. FIVE-YEAR CARRYBACK OF LOW-INCOME HOUSING CREDIT.

(a) IN GENERAL.—Subsection (a) of section 39 of the Internal Revenue Code of 1986, as amended by this Act, is amended by adding at the end the following new paragraph:

''(5) 5-YEAR CARRYBACK FOR APPLICABLE LOW-INCOME HOUSING CREDITS.—Notwithstanding subsection (d), in the case of applicable low-income housing credits (within the meaning of section 38(c)(6)(B)), paragraph (1) shall be applied by substituting 'each of the 5 taxable years' for 'the taxable year' in subparagraph (A) thereof.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 39(a)(3)(A) of the Internal Revenue Code of 1986 is amended by inserting ''or the applicable low-income housing credits'' after ''credit)''.

(2) Section 39(a)(3)(A) of such Code, as amended by this Act, is amended by striking ''credit) or the eligible small business credits or the applicable low-income housing credits'' and inserting ''credit), the eligible small business credits, or the applicable low-income housing credits''.

(3) Subparagraph (A) of section 39(a)(4) of the Internal Revenue Code of 1986, as added by this Act, is amended by inserting ''paragraph (5) and'' after ''Notwithstanding''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsection (a) and subsection (b)(1) shall apply to credits determined in taxable years beginning after December 31, 2008, and to carrybacks of credits from such taxable years.

(2) CONFORMING AMENDMENT.—The amendments made by paragraphs (2) and (3) of subsection (b) shall apply to credits determined in taxable years beginning after December 31, 2009.

SA 4412. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. CLARIFICATION OF TREATMENT OF SALES OR EXCHANGES OF WETLAND MITIGATION CREDITS AS LONG-TERM CAPITAL GAIN OR LOSS.

(a) IN GENERAL.—Part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 1257 the following new section:

''SEC. 1257A. GAINS OR LOSSES FROM SALES OR EXCHANGES OF WETLANDS MITIGATION CREDITS.

''(a) GENERAL RULE.—Gain or loss attributable to the sale or exchange of a mitigation bank credit by the sponsor of the mitigation bank who earned such credit shall be considered the sale or exchange of a capital asset held for more than 1 year.

''(b) DEFINITIONS.—For purposes of this section, the terms 'mitigation bank' and 'mitigation bank credit' have the respective meanings given such terms by part 332 of title 33 of the Code of Federal Regulations.''.

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 of such Code is amended by inserting after the item relating to section 1257 the following new item:

''Sec. 1257A. Gains or losses from sales or exchanges of wetlands mitigation credits.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to sales or exchanges of mitigation bank credits occurring before, on, or after the date of enactment of this Act.

SEC. _____. EXEMPTION OF WETLAND MITIGATION CREDIT SALES FROM FIRPTA.

(a) IN GENERAL.—Section 897(c)(6) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(D) EXEMPTION OF WETLAND MITIGATION CREDIT SALES.—The term 'United States real property interest' does not include any mitigation bank credit (as defined in part 332 of title 33 of the Code of Federal Regulations.''.

(b) CONFORMING AMENDMENT.—Section 897(c)(1)(A) of such Code is amended by inserting ''and paragraph (6)(C)'' after ''subparagraph (B)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to sales or exchanges of mitigation bank credits occurring before, on, or after the date of enactment of this Act.

SA 4413. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. EXTENSION OF REQUIREMENT FOR REPORTS ON ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

Section 2(b)(1) of the Buy American Act (41 U.S.C. 10a(b)(1)) is amended by striking ''2011'' and inserting ''2016''.

SA 4414. Mr. CARDIN submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SURETY BONDS.

Section 508(f) of division A of the American Recovery and Reinvestment Act of 2009 (15 U.S.C. 694a note) is repealed.

SA 4415. Mr. CARDIN submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SMALL BUSINESS TRAINING.

Section 37(f)(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 433(f)(3)) is amended—

(1) by striking ''For each career path,'' and inserting the following:

''(A) IN GENERAL.—For each career path,''; and

(2) by adding at the end the following:

''(B) CERTIFICATION PROGRAM.—

''(i) IN GENERAL.—The Administrator shall establish a certification program for acquisition personnel. The certification program shall be carried out through the Federal Acquisition Institute.

''(ii) SMALL BUSINESS TRAINING.—The certification program under this subparagraph shall include training regarding—

''(I) small business government contracting set-aside programs, including—

''(aa) programs for HUBZone small business concerns, small business concerns owned and controlled by service-disabled veterans, and small business concerns owned and controlled by women (as those terms are defined in section 3 of the Small Business Act (15 U.S.C. 632));

''(bb) programs for socially and economically disadvantaged small business concerns (as defined in section 8(a) of the Small Business Act (15 U.S.C. 637(a))); and

''(cc) contracting under the Small Business Innovation Research Program and the Small Business Technology Transfer Program (as those terms are defined in section 9(e) of the Small Business Act (15 U.S.C. 638(e)));

''(II) determining small business size standards and using North American Industry Classification System codes in relation to contracting set-aside programs and subcontracting goals; and

''(III) any other issue relating to contracting with small business concerns (as defined under section 3 of the Small Business Act (15 U.S.C. 632)) determined appropriate by the Administrator.''.

SA 4416. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the amendment, insert the following:

SEC. _____. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) PROGRAM EXTENSION.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking ''September 30, 2008'' and inserting ''September 30, 2010''.

(b) FINANCING.—Section 1309(a) of such Act (42 U.S.C. 4016(a)) is amended—

(1) by striking ''September 30, 2008'' and inserting ''September 30, 2010''; and

(2) by striking ''$20,775,000,000'' and inserting ''$20,725,000,000''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall be considered to have taken effect on May 31, 2010.

(d) BUDGET COMPLIANCE.—The budgetary effects of this section, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this section, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SA 4417. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the end of part IV of subtitle A of title II, insert the following:

SEC. —. WORK OPPORTUNITY CREDIT FOR CERTAIN RECENTLY DISCHARGED VETERANS.

(a) IN GENERAL.—Subparagraph (A) of section 51(d)(3) of the Internal Revenue Code of 1986 is amended by striking ''means any veteran'' and all that follows and inserting ''means any recently discharged veteran and any disadvantaged veteran.''

(b) RECENTLY DISCHARGED VETERAN; DISADVANTAGED VETERAN.—Paragraph (3) of section 51(d) of the Internal Revenue Code of 1986 is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (D) and (E), respectively, and

(2) by inserting after subparagraph (A) the following new subparagraphs:

''(B) RECENTLY DISCHARGED VETERAN.—For purposes of subparagraph (A), the term 'recently discharged veteran' means—

''(i) any individual who has served on active duty (other than active duty for training) in the Armed Forces of the United States for more than 180 total days (whether consecutive or not),

''(ii) any individual who has been discharged or released from active duty in the Armed Forces of the United States for a service-connected disability, and

''(iii) any member of the National Guard who has served for more than 180 total days (whether consecutive or not) of—

''(I) active duty (within the meaning of title 32, United States Code) other than for training,

''(II) full-time National Guard duty (within the meaning of such title 32) other than for training,

''(III) duty, other than inactive duty or duty for training, in State status (within the meaning of such title 32), or

''(IV) any combination of duty described in subclause (I), (II), or (III),

who has been discharged or released from such duty at any time during the 5-year period ending on the hiring date. Such term shall not include any unemployed veteran who begins work for the employer before the date of the enactment of the Creating Small Business Jobs Act of 2010.

''(C) DISADVANTAGED VETERAN.—For purposes of subparagraph (A), the term 'disadvantaged veteran' means any veteran who is certified by the designated local agency as—

''(i) being a member of a family receiving assistance under a supplemental nutrition assistance program under the Food and Nutrition Act of 2008 for at least a 3-month period ending during the 12-month period ending on the hiring date, or

''(ii) entitled to compensation for a service-connected disability, and—

''(I) having a hiring date which is not more than 1 year after having been discharged or released from active duty in the Armed Forces of the United States, or

''(II) having aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 6 months.''.

(c) CONFORMING AMENDMENTS.—Section 51 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''(d)(3)(A)(ii)'' in paragraph (3) of subsection (b) and inserting ''(d)(3)(C)(ii)'',

(2) by striking ''For purposes of subparagraph (A)'' each place it appears in subparagraphs (D) and (E) of subsection (d)(3), as redesignated by subsection (b), and inserting ''For purposes of subparagraph (C)'',

(3) by adding at the end of paragraph (13) of subsection (d) the following new subparagraph:

''(D) PRE-SCREENING OF RECENTLY DISCHARGED VETERANS.—

''(i) IN GENERAL.—For purposes of subparagraph (A), the term 'pre-screening notice' shall include any documentation provided to an individual by the Department of Defense or the National Guard upon release or discharge from the Armed Forces or from service in the National Guard which includes information sufficient to establish that such individual is a recently discharged veteran.

''(ii) ADDITIONAL CERTIFICATION NOT REQUIRED.—Subparagraph (A) shall be applied without regard to clause (ii)(II) thereof in the case of a recently discharged veteran who provides to the employer documentation described in clause (i).'',

(4) by inserting ''who begins work for the employer after December 31, 2008, and before the date of the enactment of the Creating Small Business Jobs Act of 2010,'' after ''Any unemployed veteran'' in subparagraph (A) of subsection (d)(14), and

(5) by inserting a comma after ''during 2009 or 2010'' in subparagraph (A) of subsection (d)(14).

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to individuals whose hiring date (as defined in section 51(d)(11) of the Internal Revenue Code of 1986) is on or after the date of the enactment of this Act.

(e) DEPARTMENT OF DEFENSE DOCUMENTATION.—

(1) IN GENERAL.—The Department of Defense and the National Guard, as applicable, shall provide—

(A) to each individual who is discharged or released from active duty in the Armed Forces of the United States on or after the date of the enactment of this Act; and

(B) to each member of the National Guard who is released from duty described in section 51(d)(3)(B)(iii) of the Internal Revenue Code of 1986 (as added by this Act) on or after the date of the enactment of this Act;

in addition to the documentation which, without regard to this subsection, is provided at the time of such discharge or release, documentation described in paragraph (4). If the documentation which is provided without regard to this subsection at the time of the discharge or release described in the preceding sentence does not include information sufficient to satisfy the requirements of section 51(d)(13)(D)(i) of the Internal Revenue Code of 1986 (as added by this Act), the Department of Defense or the National Guard, whichever is applicable, shall provide additional documentation which includes such information.

(2) INFORMATIONAL BRIEFING.—In the case of an individual who is discharged or released from duty described in subparagraph (A) or (B) of paragraph (1) after the date of the enactment of this Act, the Department of Defense or the National Guard, whichever is applicable, shall provide a briefing to such individual before or at the time of such discharge or release to inform such individual of the credit for employment of recently discharged veterans under section 51 of the Internal Revenue Code of 1986.

(3) REQUEST FOR DOCUMENTATION.—The Department of Defense or the National Guard, whichever is applicable, shall provide upon request the documentation described in paragraph (1) to any individual who is discharged or released from duty described in subparagraph (A) or (B) of paragraph (1) during the 5-year period preceding and including the date of the enactment of this Act.

(4) INSTRUCTIONS FOR USE OF WORK OPPORTUNITY CREDIT.—The documentation described in this paragraph is a document which includes—

(A) instructions for an individual to ensure treatment as a recently discharged veteran for purposes of section 51(d)(3)(B) of the Internal Revenue Code of 1986 (as added by this Act),

(B) instructions for employers detailing the use of the credit under such section 51 with respect to such individual, and

(C) the dates during which the credit under such section 51 is available.

Such instructions shall be developed in collaboration with the Internal Revenue Service.

SA 4418. Mr. WHITEHOUSE (for himself, Mr. BENNET, Mr. BROWN of Massachusetts, Mr. BROWN of Ohio, Mr. CORKER, Mr. DURBIN, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. KAUFMAN, Mr. LEAHY, Mr. LEMIEUX, Mrs. MCCASKILL, Mr. MENENDEZ, Mr. NELSON of Florida, Mr. PRYOR, Mr. SCHUMER, Mr. SESSIONS, Mr. SPECTER, and Mr. WARNER) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

On page 236, between lines 11 and 12, insert the following:

TITLE IV—REGISTRATION OF AGENTS OF FOREIGN MANUFACTURERS AUTHORIZED TO ACCEPT SERVICE OF PROCESS

SEC. 4001. FINDINGS.

Congress makes the following findings:

(1) Each year, many people in the United States are injured by defective products manufactured or produced by foreign entities and imported into the United States.

(2) Both consumers and businesses in the United States have been harmed by injuries to people in the United States caused by defective products manufactured or produced by foreign entities.

(3) People in the United States injured by defective products manufactured or produced by foreign entities often have difficulty recovering damages from the foreign manufacturers and producers responsible for such injuries.

(4) The difficulty described in paragraph (3) is caused by the obstacles in bringing a foreign manufacturer or producer into a United States court and subsequently enforcing a judgment against that manufacturer or producer.

(5) Obstacles to holding a responsible foreign manufacturer or producer liable for an injury to a person in the United States undermine the purpose of the tort laws of the United States.

(6) The difficulty of applying the tort laws of the United States to foreign manufacturers and producers puts United States manufacturers and producers at a competitive disadvantage because United States manufacturers and producers must—

(A) abide by common law and statutory safety standards; and

(B) invest substantial resources to ensure that they do so.

(7) Foreign manufacturers and producers can avoid the expenses necessary to make their products safe if they know that they will not be held liable for violations of United States product safety laws.

(8) Businesses in the United States undertake numerous commercial relationships with foreign manufacturers, exposing the businesses to additional tort liability when foreign manufacturers or producers evade United States courts.

(9) Businesses in the United States engaged in commercial relationships with foreign manufacturers or producers often cannot vindicate their contractual rights if such manufacturers or producers seek to avoid responsibility in United States courts.

(10) One of the major obstacles facing businesses and individuals in the United States who are injured and who seek compensation for economic or personal injuries caused by foreign manufacturers and producers is the challenge of serving process on such manufacturers and producers.

(11) An individual or business injured in the United States by a foreign company must rely on a foreign government to serve process when that company is located in a country that is a signatory to the Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters done at The Hague November 15, 1965 (20 UST 361; TIAS 6638).

(12) An injured person in the United States must rely on the cumbersome system of letters rogatory to effect service in a country that did not sign the Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. These countries do not have an enforceable obligation to serve process as requested.

(13) The procedures described in paragraphs (11) and (12) add time and expense to litigation in the United States, thereby discouraging or frustrating meritorious lawsuits brought by persons injured in the United States against foreign manufacturers and producers.

(14) Foreign manufacturers and producers often seek to avoid judicial consideration of their actions by asserting that United States courts lack personal jurisdiction over them.

(15) The due process clauses of the fifth amendment to and section 1 of the fourteenth amendment to the Constitution govern United States courts' personal jurisdiction over defendants.

(16) The due process clauses described in paragraph (15) are satisfied when a defendant consents to the jurisdiction of a court.

(17) United States markets present many opportunities for foreign manufacturers.

(18) In choosing to export products to the United States, a foreign manufacturer or producer subjects itself to the laws of the United States. Such a foreign manufacturer or producer thereby acknowledges that it is subject to the personal jurisdiction of the State and Federal courts in at least one State.

SEC. 4002. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) foreign manufacturers and producers whose products are sold in the United States should not be able to avoid liability simply because of difficulties relating to serving process upon them;

(2) to avoid such lack of accountability, foreign manufacturers and producers of foreign products distributed in the United States should be required, by regulation, to register an agent in the United States who is authorized to accept service of process for such manufacturer or producer;

(3) it is unfair to United States consumers and businesses that foreign manufacturers and producers often seek to avoid judicial consideration of their actions by asserting that United States courts lack personal jurisdiction over them;

(4) those who benefit from exporting products to United States markets should expect to be subject to the jurisdiction of at least one court within the United States;

(5) exporting products to the United States should be understood as consent to the accountability that the legal system of the United States ensures for all manufacturers and producers, foreign, and domestic;

(6) exporters recognize the scope of opportunities presented to them by United States markets but also should recognize that products imported into the United States must satisfy Federal and State safety standards established by statute, regulation, and common law;

(7) foreign manufacturers should recognize that they are responsible for the contracts they enter into with United States companies;

(8) foreign manufacturers should act responsibly and recognize that they operate within the constraints of the United States legal system when they export products to the United States;

(9) United States laws and the laws of United States trading partners should not put burdens on foreign manufacturers and producers that do not apply to domestic companies;

(10) it is fair to ensure that foreign manufacturers, whose products are distributed in commerce in the United States, are subject to the jurisdiction of State and Federal courts in at least one State because all United States manufacturers are subject to the jurisdiction of the State and Federal courts in at least one State; and

(11) it should be understood that, by registering an agent for service of process in the United States, the foreign manufacturer or producer acknowledges consent to the jurisdiction of the State in which the registered agent is located.

SEC. 4003. DEFINITIONS.

In this title:

(1) APPLICABLE AGENCY.—The term ''applicable agency'' means, with respect to covered products—

(A) described in subparagraphs (A) and (B) of paragraph (4), the Food and Drug Administration;

(B) described in paragraph (4)(C), the Consumer Product Safety Commission;

(C) described in subparagraphs (D) and (E) of paragraph (4), the Environmental Protection Agency; and

(D) described in subparagraph (F) of paragraph (4)—

(i) the Food and Drug Administration, if the item is intended to be a component part of a product described in subparagraphs (A) and (B) of paragraph (4);

(ii) the Consumer Product Safety Commission, if the item is intended to be a component part of a product described in paragraph (4)(C); and

(iii) the Environmental Protection Agency, if the item is intended to be a component part of a product described in subparagraphs (D) and (E) of paragraph (4).

(2) COMMERCE.—The term ''commerce'' means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside of the State; or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A).

(3) COMMISSIONER OF U.S. CUSTOMS AND BORDER PROTECTION.—The term ''Commissioner of U.S. Customs and Border Protection'' means the Commissioner responsible for U.S. Customs and Border Protection of the Department of Homeland Security.

(4) COVERED PRODUCT.—The term ''covered product'' means any of the following:

(A) Drugs, devices, and cosmetics, as such terms are defined in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(B) A biological product, as such term is defined in section 351(i) of the Public Health Service Act (42 U.S.C. 262(i)).

(C) A consumer product, as such term is used in section 3(a) of the Consumer Product Safety Act (15 U.S.C. 2052).

(D) A chemical substance or new chemical substance, as such terms are defined in section 3 of the Toxic Substances Control Act (15 U.S.C. 2602).

(E) A pesticide, as such term is defined in section 2 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136).

(F) An item intended to be a component part of a product described in subparagraph (A), (B), (C), (D), or (E) but is not yet a component part of such product.

(5) DISTRIBUTE IN COMMERCE.—The term ''distribute in commerce'' means to sell in commerce, to introduce or deliver for introduction into commerce, or to hold for sale or distribution after introduction into commerce.

SEC. 4004. REGISTRATION OF AGENTS OF FOREIGN MANUFACTURERS AUTHORIZED TO ACCEPT SERVICE OF PROCESS IN THE UNITED STATES.

(a) REGISTRATION.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act and except as otherwise provided in this subsection, the head of each applicable agency shall require foreign manufacturers and producers of covered products distributed in commerce to establish a registered agent in the United States who is authorized to accept service of process on behalf of such manufacturer or producer—

(A) for the purpose of any civil or regulatory proceeding in State or Federal court relating—

(i) to a covered product; and

(ii) to—

(I) commerce in the United States;

(II) an injury or damage suffered in the United States; or

(III) conduct within the United States; and

(B) if such service is made in accord with the State or Federal rules for service of process in the State of the civil or regulatory proceeding.

(2) LOCATION.—The head of each applicable agency shall require that an agent of a foreign manufacturer or producer registered under this subsection with respect to a covered product be located in a State with a substantial connection to the importation, distribution, or sale of the covered product.

(3) MINIMUM SIZE.—This subsection shall only apply to foreign manufacturers and producers that manufacture or produce covered products in excess of a minimum value or quantity the head of the applicable agency shall prescribe by rule for purposes of this section. Such rules may include different minimum values or quantities for different subcategories of covered products prescribed by the head of the applicable agency for purposes of this section.

(b) REGISTRY OF AGENTS OF FOREIGN MANUFACTURERS.—

(1) IN GENERAL.—The Secretary of Commerce shall, in cooperation with each head of an applicable agency, establish and keep up to date a registry of agents registered under subsection (a).

(2) AVAILABILITY.—The Secretary of Commerce shall make the registry established under paragraph (1) available—

(A) to the public through the Internet website of the Department of Commerce; and

(B) to the Commissioner of U.S. Customs and Border Protection.

(c) CONSENT TO JURISDICTION.—A foreign manufacturer or producer of covered products that registers an agent under this section thereby consents to the personal jurisdiction of the State or Federal courts of the State in which the registered agent is located for the purpose of any civil or regulatory proceeding relating—

(1) to a covered product; and

(2) to—

(A) commerce in the United States;

(B) an injury or damage suffered in the United States; or

(C) conduct within the United States.

(d) DECLARATIONS.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, any person importing a covered product manufactured outside the United States shall provide a declaration to U.S. Customs and Border Protection that—

(A) the person has made appropriate inquiry, including seeking appropriate documentation from the exporter of the covered product and consulting the registry of agents of foreign manufacturers described in subsection (b); and

(B) to the best of the person's knowledge, with respect to each importation of a covered product, the foreign manufacturer or producer of the product has established a registered agent in the United States as required under subsection (a).

(2) PENALTIES.—Any person who fails to provide a declaration required under paragraph (1), or files a false declaration, shall be subject to any applicable civil or criminal penalty, including seizure and forfeiture, that may be imposed under the customs laws of the United States or title 18, United States Code, with respect to the importation of a covered product.

(e) REGULATIONS.—Not later than the date described in subsection (a)(1), the Secretary of Commerce, the Commissioner of U.S. Customs and Border Protection, and each head of an applicable agency shall prescribe regulations to carry out this section, including the establishment of minimum values and quantities under subsection (a)(3).

SEC. 4005. STUDY ON REGISTRATION OF AGENTS OF FOREIGN FOOD PRODUCERS AUTHORIZED TO ACCEPT SERVICE OF PROCESS IN THE UNITED STATES.

Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture and the Commissioner of Food and Drugs shall jointly—

(1) complete a study on the feasibility and advisability of requiring foreign producers of food distributed in commerce to establish a registered agent in the United States who is authorized to accept service of process on behalf of such producers for the purpose of all civil and regulatory actions in State and Federal courts; and

(2) submit to Congress a report on the findings of the Secretary with respect to such study.

SEC. 4006. STUDY ON REGISTRATION OF AGENTS OF FOREIGN MANUFACTURERS AND PRODUCERS OF COMPONENT PARTS WITHIN COVERED PRODUCTS.

Not later than 1 year after the date of the enactment of this Act, the head of each applicable agency shall—

(1) complete a study on determining feasible and advisable methods of requiring manufacturers or producers of component parts within covered products manufactured or produced outside the United States and distributed in commerce to establish registered agents in the United States who are authorized to accept service of process on behalf of such manufacturers or producers for the purpose of all civil and regulatory actions in State and Federal courts; and

(2) submit to Congress a report on the findings of the head of the applicable agency with respect to the study.

SEC. 4007. RELATIONSHIP WITH OTHER LAWS.

Nothing in this title shall affect the authority of any State to establish or continue in effect a provision of State law relating to service of process or personal jurisdiction, except to the extent that such provision of law is inconsistent with the provisions of this title, and then only to the extent of such inconsistency.

SA 4419. Mr. BURRIS submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the end of part IV of subtitle C of title I, add the following:

SEC. 1348. SECTION 8(a) IMPROVEMENTS.

(a) PROGRAMS FOR SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS CONCERNS.—

(1) NET WORTH THRESHOLD.—

(A) IN GENERAL.—Section 8(a)(6)(A) of the Small Business Act (15 U.S.C. 637(a)(6)(A)) is amended—

(i) by inserting ''(i)'' after ''(6)(A)'';

(ii) by striking ''In determining the degree of diminished credit'' and inserting the following:

''(ii)(I) In determining the degree of diminished credit'';

(iii) by striking ''In determining the economic disadvantage'' and inserting the following:

''(iii) In determining the economic disadvantage''; and

(iv) by inserting after clause (ii)(I), as so designated by this paragraph, the following:

''(II)(aa) Not later than 1 year after the date of enactment of the Section 8(a) Improvements Act of 2010, the Administrator shall—

''(AA) assign each North American Industry Classification System industry code to a category described in item (cc); and

''(BB) for each category described in item (cc), establish a maximum net worth for the socially disadvantaged individuals who own or control small business concerns in the category that participate in the program under this subsection.

''(bb) The maximum net worth for a category described in item (cc) shall be not less than $2,500,000.

''(cc) The categories described in this item are—

''(AA) manufacturing;

''(BB) construction;

''(CC) professional services; and

''(DD) general services.

''(III) The Administrator shall establish procedures that—

''(aa) account for inflationary adjustments to, and include a reasonable assumption of, the average income and net worth of the owners of business concerns that are dominant in the field of operation of the business concern; and

''(bb) require an annual inflationary adjustment to the average income and maximum net worth requirements under this clause.

''(IV) In determining the assets and net worth of a socially disadvantaged individual under this subparagraph, the Administrator shall not consider any assets of the individual that are held in a qualified retirement plan, as that term is defined in section 4974(c) of the Internal Revenue Code of 1986.''.

(B) TEMPORARY INFLATIONARY ADJUSTMENT.—

(i) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Administrator shall modify the net worth limitations established by the Administrator for purposes of the program under section 8(a) of the Small Business Act (15 U.S.C. 637(a)) by adjusting the amount of the net worth limitations for inflation during the period beginning on the date on which the Administrator established the net worth limitations and the date of enactment of this Act.

(ii) TERMINATION.—The Administrator shall apply the net worth limitations established under clause (i) until the effective date of the net worth limitations established by the Administrator under clause (ii)(II) of section 8(a)(6)(A) of the Small Business Act (15 U.S.C. 637(a)(6)(A)), as added by this paragraph.

(2) TRANSITION PERIOD.—Section 7(j)(15) of the Small Business Act (15 U.S.C. 636(j)(15)) is amended—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by striking ''Subject to'' and inserting ''(A) Except as provided in subparagraph (B), and subject to''; and

(C) by adding at the end the following:

''(B)(i) A small business concern may receive developmental assistance under the Program and contracts under section 8(a) during the 3-year period beginning on the date on which the small business concern graduates—

''(I) because the small business concern has participated in the Program for the total period authorized under subparagraph (A); or

''(II) under section 8(a)(6)(C)(ii), because the socially disadvantaged individuals who own or control the small business concern have a net worth that is more than the maximum net worth established by the Administrator.

''(ii) After the end of the 3-year period described in clause (i), a small business concern described in clause (i)—

''(I) may not receive developmental assistance under the Program or contracts under section 8(a); and

''(II) may continue to perform and receive payment under a contract received by the small business concern under section 8(a) before the end of the period, under the terms of the contract.''.

(3) GAO STUDY.—Section 8(a) of the Small Business Act (15 U.S.C. 637(a)) is amended by adding at the end the following:

''(22) REVIEW OF EFFECTIVENESS.—

''(A) GAO STUDY.—Not later than 5 years after the date of enactment of this paragraph, and every 5 years thereafter, the Comptroller General of the United States shall—

''(i) conduct an evaluation of the effectiveness of the program under this subsection, including an examination of—

''(I) the number and size of contracts applied for, as compared to the number received by, small business concerns after successfully completing the program;

''(II) the percentage of small business concerns that continue to operate during the 3-year period beginning on the date on which the small business concerns successfully complete the program;

''(III) whether the business of small business concerns increases during the 3-year period beginning on the date on which the small business concerns successfully complete the program; and

''(IV) the number of training sessions offered under the program; and

''(ii) submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding each evaluation under clause (i).

''(B) SBA REPORT.—Not later than 1 year after the date of enactment of this paragraph, and every year thereafter, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report evaluating the program under this section, including an assessment of—

''(i) the regulations promulgated to carry out the program;

''(ii) online training under the program; and

''(iii) whether the structure of the program is conducive to business development.''.

(b) SURETY BOND PILOT PROGRAM.—

(1) DEFINITIONS.—In this subsection—

(A) the terms ''bid bond'', ''payment bond'', ''performance bond'', and ''surety'' have the meanings given those terms in section 410 of the Small Business Investment Act of 1958 (15 U.S.C. 694a);

(B) the term ''Board'' means the pilot program advisory board established under paragraph (4)(A);

(C) the term ''eligible small business concern'' means a socially and economically disadvantaged small business concern that is participating in the program under section 8(a) of the Small Business Act (15 U.S.C. 637(a));

(D) the term ''Fund'' means the Small Business Surety Bond Pilot Program Fund established under paragraph (5)(A);

(E) the term ''graduated'' has the meaning given that term in section 7(j)(10)(H) of the Small Business Act (15 U.S.C. 636(j)(10)(H));

(F) the term ''pilot program'' means the surety bond pilot program established under paragraph (2)(A); and

(G) the term ''socially and economically disadvantaged small business concern'' has

the meaning given that term in section 8(a) of the Small Business Act (15 U.S.C. 637(a)).

(2) PROGRAM.—

(A) IN GENERAL.—The Administrator shall establish a surety bond pilot program under which the Administrator may guarantee any surety against loss resulting from a breach of the terms of a bid bond, payment bond, performance bond, or bonds ancillary thereto, by an eligible small business concern.

(B) GUARANTEE PERCENTAGE.—A guarantee under the pilot program shall obligate the Administration to pay to a surety 90 percent of the loss incurred and paid by the surety.

(C) APPLICATION.—An eligible small business concern desiring a guarantee under the pilot program shall submit an application at such time, in such manner, and accompanied by such information as the Administrator may require.

(D) REVIEW.—A surety desiring a guarantee under the pilot program against loss resulting from a breach of the terms of a bid bond, payment bond, performance bond, or bonds ancillary thereto by an eligible small business concern shall—

(i) submit to the Administrator a report evaluating whether the eligible small business concern meets such criteria as the Administrator may establish relating to whether a bond should be issued to the eligible small business concern; and

(ii) if the Administrator does not guarantee the surety against loss, submit an update of the report described in clause (i) every 6 months.

(3) TECHNICAL ASSISTANCE AND EDUCATIONAL TRAINING.—

(A) IN GENERAL.—The Administrator shall provide technical assistance and educational training to an eligible small business concern participating in the pilot program or desiring to participate in the pilot program for a period of not less than 3 years, to promote the growth of the eligible small business concern and assist the eligible small business concern in promoting job development.

(B) TOPICS.—

(i) TECHNICAL ASSISTANCE.—The technical assistance under subparagraph (A) shall include assistance relating to—

(I) scheduling of employees;

(II) cash flow analysis;

(III) change orders;

(IV) requisition preparation;

(V) submitting proposals;

(VI) dispute resolution; and

(VII) contract management.

(ii) EDUCATIONAL TRAINING.—The educational training under subparagraph (A) shall include training regarding—

(I) accounting;

(II) legal issues;

(III) infrastructure;

(IV) human resources;

(V) estimating costs;

(VI) scheduling; and

(VII) any other area the Administrator determines is a key area for which training is needed for eligible small business concerns.

(4) PANEL.—

(A) ESTABLISHMENT.—The Administrator shall establish a pilot program advisory board to evaluate and make recommendations regarding the pilot program.

(B) MEMBERSHIP.—The Board shall be composed of 5 members—

(i) who shall be appointed by the Administrator;

(ii) not less than 2 of whom shall have graduated from the program under section 8(a) of the Small Business Act (15 U.S.C. 637(a)); and

(iii) not more than 1 of whom may be an officer or employee of the Administration.

(C) DUTIES.—The Board shall—

(i) evaluate and make recommendations to the Administrator regarding the effectiveness of the pilot program;

(ii) make recommendations to the Administrator regarding performance measures to evaluate eligible small business concerns applying for a guarantee under the pilot program; and

(iii) not later than 90 days after the date on which all members of the Board are appointed, and every year thereafter until the authority to carry out the pilot program terminates under paragraph (6), submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding the activities of the Board.

(5) FUND.—

(A) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a revolving fund to be known as the ''Small Business Surety Bond Pilot Program Fund'', to be administered by the Administrator.

(B) AVAILABILITY.—Amounts in the Fund shall be available without fiscal year limitation or further appropriation by Congress.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Fund $20,000,000.

(D) RESCISSION.—Effective on the day after the date on which the term of all guarantees made under the pilot program have ended, all amounts in the Fund are rescinded.

(6) TERMINATION.—The Administrator may not guarantee a surety against loss under the pilot program on or after the date that is 7 years after the date the date on which the Administrator makes the first guarantee under the pilot program.

SA 4420. Mr. DODD (for himself, Mr. COCHRAN, and Ms. MIKULSKI) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

On page ____, line ____, insert the following:

SEC. ___. EXCLUSION FROM GROSS INCOME OF AMERICORPS EDUCATIONAL AWARDS.

(a) IN GENERAL.—Section 117 of the Internal Revenue Code of 1986 (relating to qualified scholarships) is amended by adding at the end the following:

''(e) AMERICORPS EDUCATIONAL AWARDS.—Gross income shall not include any national service educational award described in subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of enactment of this Act.

SA 4421. Mr. CASEY submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. STUDY BY COMPTROLLER GENERAL.

(a) DEFINITIONS.—In this Act—

(1) the terms ''HUBZone small business concern'', ''small business concern'', ''small business concern owned and controlled by service-disabled veterans'', and ''small business concern owned and controlled by women'' have the meaning given those terms under section 3 of the Small Business Act (15 U.S.C. 632);

(2) the term ''minority business enterprise'' means a small business concern that is unconditionally owned, controlled, and managed by an individual who is—

(A) a Black American;

(B) a Hispanic American;

(C) a Native American, including an American Indian, Eskimo, Aleut, or Native Hawaiian;

(D) an Asian Pacific American, including an individual having origins in any of the original peoples of Myanmar, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China (including Hong Kong), Taiwan, Laos, Cambodia (Kampuchea), Vietnam, North Korea, South Korea, the Philippines, a United States Trust Territory of the Pacific Islands (including the Republic of Palau), the Republic of the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, Guam, Samoa, Macao, Fiji, Tonga, Kiribati, Tuvalu, or Nauru;

(E) a Subcontinent Asian American, including an individual having origins in any of the original peoples of India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal; or

(F) a member of another minority group, as determined by the Administrator of the Small Business Administration;

(3) the term ''qualified HUBZone small business concern'' means a HUBZone small business concern that is qualified under section 3(p)(5) of the Small Business Act (15 U.S.C. 632(p)(5)); and

(4) the term ''small business concern owned and controlled by socially and economically disadvantaged individuals'' has the meaning given that term in section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)).

(b) STUDY REQUIRED.—The Comptroller General of the United States shall carry out a study on the participation of small business concerns owned and controlled by socially and economically disadvantaged individuals, qualified HUBZone small business concerns, minority business enterprises, and small business concerns owned and controlled by women in procurement contracts awarded using funds made available under division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 116), which shall include—

(1) determining the percentage of all contracts awarded by Federal agencies and departments using funds made available under the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) that were awarded to—

(A) small business concerns owned and controlled by socially and economically disadvantaged individuals;

(B) minority business enterprises;

(C) small business concerns owned and controlled by women; and

(D) qualified HUBZone small business concerns; and

(2) evaluating whether Federal agencies and departments have met the Government-wide goals established under section 15(g) of the Small Business Act (15 U.S.C. 644(g)) for procurement contracts awarded to small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women, with respect to procurement contracts awarded using funds made available under division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 116).

(c) REPORT.—Not later than 120 days after the date of enactment of this Act, the Comptroller General shall submit to Congress a report on the results of the study required under subsection (b).

SA 4422. Mr. TESTER submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

On page __, between lines __ and __, insert the following:

SEC. ___. GAO REPORT ON POTENTIAL BARRIERS TO ENTRY IN FEDERAL CONTRACTING.

(a) COVERED AGENCY.—In this section, the term ''covered agency'' means—

(1) the General Services Administration;

(2) the Army Corps of Engineers; and

(3) the Department of Homeland Security.

(b) STUDY.—The Comptroller General of the United States shall conduct a study examining selected instances in which covered agencies have entered into contracts using previous experience or past performance under Federal contracts as source selection evaluation criteria.

(c) REPORT.—

(1) IN GENERAL.—Not later than 270 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the study conducted under subsection (b).

(2) CONTENT.—The report required under paragraph (1) shall include the following:

(A) A description of the circumstances under which covered agencies entered into contracts using previous experience or past performance under Federal contracts as source selection evaluation criteria.

(B) A description of the weights assigned to these evaluation factors as compared to all other evaluation factors, including cost.

(C) An assessment of whether the use of previous experience or past performance as evaluation criteria is more or less prevalent depending on the type of item or service the agency acquires.

(D) The views of agency officials, acquisition experts, and affected stakeholders on the benefits and challenges of using previous experience or past performance as evaluation criteria, including the impact on small business concerns.

(3) CONTRACTS COVERED.—The report required under paragraph (1) shall include information on the awarding of contracts using full and open competition and other types of competitive procedures.

SA 4423. Mrs. SHAHEEN (for herself and Mr. COCHRAN) submitted an amendment intended to be proposed by her to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SECTION ___. ON-THE-JOB TRAINING.

(a) SHORT TITLE.—This section may be cited as the ''On-the-Job Training Act of 2010''.

(b) TRAINING.—

(1) IN GENERAL.—Subtitle D of title I of the Workforce Investment Act of 1998 is amended by inserting after section 173A (29 U.S.C. 2918a) the following:

''SEC. 173B. ON-THE-JOB TRAINING.

''(a) DEFINITION.—In this section, the term 'federally recognized tribal organization' means an entity described in section 166(c)(1).

''(b) GRANTS.—From the amount made available under subsection (g), and subject to subsection (d)—

''(1) the Secretary shall make grants on a discretionary basis to local areas, for adult on-the-job training, or dislocated worker on-the-job-training, carried out under section 134; and

''(2) using an amount that is not more than 10 percent of the funds made available under subsection (g), the Secretary shall make grants to States, local boards, and federally recognized tribal organizations for developing on-the-job training programs, in consultation with the Secretary.

''(c) APPLICATION.—To be eligible to receive a grant under subsection (b), a State, local board, or federally recognized tribal organization shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. In preparing such an application for a grant under subsection (b)(1), a local board shall consult with the corresponding State.

''(d) REIMBURSEMENT OF WAGE RATES.—Notwithstanding the limitation in section 101(31)(B), in making the grants described in subsection (b)(1) the Secretary may allow for higher levels of reimbursement of wage rates the Secretary determines are appropriate based on factors such as—

''(1) employer size, in order to facilitate the participation of small- and medium-sized employers;

''(2) target populations, in order to enhance job creation for persons with barriers to employment; and

''(3) the number of employees that will participate in the on-the-job training, the wage and benefit levels of the employees (before the training and anticipated on completion of the training), the relationship of the training to the competitiveness of the employer and employees, and the existence of other employer-provided training and advancement opportunities.

''(e) ADMINISTRATION.—The Secretary may use an amount that is not more than 1 percent of the funds made available under subsection (g) for the administration, management, and oversight of the programs, activities, and grants, funded under subsection (b), including the evaluation of, and dissemination of information on lessons learned through, the use of such funds.

''(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to affect the manner in which subtitle B is implemented, for activities funded through amounts appropriated under section 137.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2011 and each subsequent fiscal year.''.

(2) TABLE OF CONTENTS.—The table of contents in section 1(b) of the Workforce Investment Act of 1998 is amended by inserting after the item relating to section 173A the following:

''Sec. 173B. On-the-job training.''.

SA 4424. Mr. WEBB (for himself and Mrs. BOXER) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the end, insert the following:

TITLE IV—TAXPAYER FAIRNESS ACT

SEC. 4001. SHORT TITLE.

This title may be cited as the ''Taxpayer Fairness Act''.

SEC. 4002. FINDINGS.

Congress finds the following:

(1) During the years 2008 and 2009, the Nation's largest financial firms received extraordinary and unprecedented assistance from the public.

(2) Such assistance was critical to the success and in many cases the survival of these firms during the year 2009.

(3) High earners at such firms should contribute a portion of any excessive bonuses obtained for the year 2009 to help the Nation reduce the public debt and recover from the recession.

SEC. 4003. EXCISE TAXES ON EXCESSIVE 2009 BONUSES RECEIVED FROM MAJOR RECIPIENTS OF FEDERAL EMERGENCY ECONOMIC ASSISTANCE.

(a) IMPOSITION OF TAX.—Chapter 46 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 4999A. EXCESSIVE 2009 BONUSES RECEIVED FROM MAJOR RECIPIENTS OF FEDERAL EMERGENCY ECONOMIC ASSISTANCE.

''(a) IMPOSITION OF TAX.—There is hereby imposed on any person who receives a covered excessive 2009 bonus a tax equal to 50 percent of the amount of such bonus.

''(b) DEFINITION.—For purposes of this section, the term 'covered excessive 2009 bonus' has the meaning given such term by section 280I(b).

''(c) ADMINISTRATIVE PROVISIONS AND SPECIAL RULES.—

''(1) WITHHOLDING.—

''(A) IN GENERAL.—In the case of any covered excessive 2009 bonus which is treated as wages for purposes of section 3402, the amount otherwise required to be deducted and withheld under such section shall be increased by the amount of the tax imposed by this section on such bonus.

''(B) BONUSES PAID BEFORE ENACTMENT.—In the case of any covered excessive 2009 bonus to which subparagraph (A) applies which is

paid before the date of the enactment of this section, no penalty, addition to tax, or interest shall be imposed with respect to any failure to deduct and withhold the tax imposed by this section on such bonus.

''(2) TREATMENT OF TAX.—For purposes of subtitle F, any tax imposed by this section shall be treated as a tax imposed by subtitle A.

''(3) NOTICE REQUIREMENTS.—The Secretary shall require each major Federal emergency economic assistance recipient (as defined in section 280I(d)(1)) to notify, as soon as practicable after the date of the enactment of this section and at such other times as the Secretary determines appropriate, the Secretary and each covered employee (as defined in section 280I(e)) of the amount of covered excessive 2009 bonuses to which this section applies and the amount of tax deducted and withheld on such bonuses.

''(4) SECRETARIAL AUTHORITY.—The Secretary may prescribe such regulations, rules, and guidance of general applicability as may be necessary to carry out the provisions of this section, including—

''(A) to prescribe the due date and manner of payment of the tax imposed by this section with respect to any covered excessive 2009 bonus paid before the date of the enactment of this section, and

''(B) to prevent—

''(i) the recharacterization of a bonus payment as a payment which is not a bonus payment in order to avoid the purposes of this section,

''(ii) the treatment as other than an additional 2009 bonus payment of any payment of increased wages or other payments to a covered employee who receives a bonus payment subject to this section in order to reimburse such covered employee for the tax imposed by this section with regard to such bonus, or

''(iii) the avoidance of the purposes of this section through the use of partnerships or other pass-thru entities.''.

(b) CLERICAL AMENDMENTS.—

(1) The heading and table of sections for chapter 46 of the Internal Revenue Code of 1986 are amended to read as follows:

''CHAPTER 46—TAXES ON CERTAIN EXCESSIVE REMUNERATION

''Sec. 4999. Golden parachute payments.
''Sec. 4999A. Excessive 2009 bonuses received from major recipients of Federal emergency economic assistance.''.

(2) The item relating to chapter 46 in the table of chapters for subtitle D of such Code is amended to read as follows:

''Chapter 46. Taxes on certain excessive remuneration.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments of covered excessive 2009 bonuses after December 31, 2008, in taxable years ending after such date.

SEC. 4004. LIMITATION ON DEDUCTION OF AMOUNTS PAID AS EXCESSIVE 2009 BONUSES BY MAJOR RECIPIENTS OF FEDERAL EMERGENCY ECONOMIC ASSISTANCE.

(a) IN GENERAL.—Part IX of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 280I. EXCESSIVE 2009 BONUSES PAID BY MAJOR RECIPIENTS OF FEDERAL EMERGENCY ECONOMIC ASSISTANCE.

''(a) GENERAL RULE.—The deduction allowed under this chapter with respect to the amount of any covered excessive 2009 bonus shall not exceed 50 percent of the amount of such bonus.

''(b) COVERED EXCESSIVE 2009 BONUS.—For purposes of this section, the term 'covered excessive 2009 bonus' means any 2009 bonus payment paid during any calendar year to a covered employee by any major Federal emergency economic assistance recipient, to the extent that the aggregate of such 2009 bonus payments (without regard to the date on which such payments are paid) with respect to such employee exceeds the dollar amount of the compensation received by the President under section 102 of title 3, United States Code, for calendar year 2009.

''(c) 2009 BONUS PAYMENT.—

''(1) IN GENERAL.—The term '2009 bonus payment' means any payment which—

''(A) is a payment for services rendered,

''(B) is in addition to any amount payable to a covered employee for services performed by such covered employee at a regular hourly, daily, weekly, monthly, or similar periodic rate,

''(C) in the case of a retention bonus, is paid for continued service during calendar year 2009 or 2010, and

''(D) in the case of a payment not described in subparagraph (C), is attributable to services performed by a covered employee during calendar year 2009 (without regard to the year in which such payment is paid).

Such term does not include payments to an employee as commissions, contributions to any qualified retirement plan (as defined in section 4974(c)), welfare and fringe benefits, overtime pay, or expense reimbursements. In the case of a payment which is attributable to services performed during multiple calendar years, such payment shall be treated as a 2009 bonus payment to the extent it is attributable to services performed during calendar year 2009.

''(2) DEFERRED DEDUCTION BONUS PAYMENTS.—

''(A) IN GENERAL.—The term '2009 bonus payment' includes payments attributable to services performed in 2009 which are paid in the form of remuneration (within the meaning of section 162(m)(4)(E)) for which the deduction under this chapter (determined without regard to this section) for such payment is allowable in a subsequent taxable year.

''(B) TIMING OF DEFERRED DEDUCTION BONUS PAYMENTS.—For purposes of this section and section 4999A, the amount of any payment described in subparagraph (A) (as determined in the year in which the deduction under this chapter, determined without regard to this section, for such payment would be allowable) shall be treated as having been made in the calendar year in which any interest in such amount is granted to a covered employee (without regard to the date on which any portion of such interest vests).

''(3) RETENTION BONUS.—The term 'retention bonus' means any bonus payment (without regard to the date such payment is paid) to a covered employee which—

''(A) is contingent on the completion of a period of service with a major Federal emergency economic assistance recipient, the completion of a specific project or other activity for the major Federal emergency economic assistance recipient, or such other circumstances as the Secretary may prescribe, and

''(B) is not based on the performance of the covered employee (other than a requirement that the employee not be separated from employment for cause).

A bonus payment shall not be treated as based on performance for purposes of subparagraph (B) solely because the amount of the payment is determined by reference to a previous bonus payment which was based on performance.

''(d) MAJOR FEDERAL EMERGENCY ECONOMIC ASSISTANCE RECIPIENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'major Federal emergency economic assistance recipient' means—

''(A) any financial institution (within the meaning of section 3 of the Emergency Economic Stabilization Act of 2008) if at any time after December 31, 2007, the Federal Government acquires—

''(i) an equity interest in such person pursuant to a program authorized by the Emergency Economic Stabilization Act of 2008 or the third undesignated paragraph of section 13 of the Federal Reserve Act (12 U.S.C. 343), or

''(ii) any warrant (or other right) to acquire any equity interest with respect to such person pursuant to any such program,

but only if the total value of the equity interest described in clauses (i) and (ii) in such person is not less than $5,000,000,000,

''(B) the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, and

''(C) any person which is a member of the same affiliated group (as defined in section 1504, determined without regard to subsection (b) thereof) as a person described in subparagraph (A) or (B).

''(2) TREATMENT OF CONTROLLED GROUPS.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as a single employer with respect to any covered employee.

''(e) COVERED EMPLOYEE.—For purposes of this section, the term 'covered employee' means, with respect to any major Federal emergency economic assistance recipient—

''(1) any employee of such recipient, and

''(2) any director of such recipient who is not an employee.

In the case of any major Federal emergency economic assistance recipient which is a partnership or other unincorporated trade or business, the term 'employee' shall include employees of such recipient within the meaning of section 401(c)(1).

''(f) REGULATIONS.—The Secretary may prescribe such regulations, rules, and guidance of general applicability as may be necessary to carry out the provisions of this section, including—

''(1) to prescribe the due date and manner of reporting and payment of any increase in the tax imposed by this chapter due to the application of this section to any covered excessive 2009 bonus paid before the date of the enactment of this section, and

''(2) to prevent—

''(A) the recharacterization of a bonus payment as a payment which is not a bonus payment in order to avoid the purposes of this section, or

''(B) the avoidance of the purposes of this section through the use of partnerships or other pass-thru entities.''.

(b) CLERICAL AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 280I. Excessive 2009 bonuses paid by major recipients of Federal emergency economic assistance.''.

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (F) of section 162(m)(4) of the Internal Revenue Code of 1986 is amended—

(A) by inserting ''AND EXCESSIVE 2009 BONUSES'' after ''PAYMENTS'' in the heading,

(B) by striking ''the amount'' and inserting ''the total amounts'', and

(C) by inserting ''or 280I'' before the period.

(2) Subparagraph (A) of section 3121(v)(2) of such Code is amended by inserting '', to any covered excessive 2009 bonus (as defined in section 280I(b)),'' after ''section 280G(b))''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments of covered excessive 2009 bonuses after December 31, 2008, in taxable years ending after such date.

SA 4425. Mr. REID proposed an amendment to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Unemployment Compensation Extension Act of 2010''.

SEC. 2. EXTENSION OF UNEMPLOYMENT INSURANCE PROVISIONS.

(a) IN GENERAL.—(1) Section 4007 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(A) by striking ''June 2, 2010'' each place it appears and inserting ''November 30, 2010'';

(B) in the heading for subsection (b)(2), by striking ''JUNE 2, 2010'' and inserting ''NOVEMBER 30, 2010''; and

(C) in subsection (b)(3), by striking ''November 6, 2010'' and inserting ''April 30, 2011''.

(2) Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 444), is amended—

(A) by striking ''June 2, 2010'' each place it appears and inserting ''December 1, 2010''; and

(B) in subsection (c), by striking ''November 6, 2010'' and inserting ''May 1, 2011''.

(3) Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking ''November 6, 2010'' and inserting ''April 30, 2011''.

(b) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (D), by striking ''and'' at the end; and

(2) by inserting after subparagraph (E) the following:

''(F) the amendments made by section 2(a)(1) of the Unemployment Compensation Extension Act of 2010; and''.

(c) CONDITIONS FOR RECEIVING EMERGENCY UNEMPLOYMENT COMPENSATION.—Section 4001(d)(2) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended, in the matter preceding subparagraph (A), by inserting before ''shall apply'' the following: ''(including terms and conditions relating to availability for work, active search for work, and refusal to accept work)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Continuing Extension Act of 2010 (Public Law 111–157).

SEC. 3. COORDINATION OF EMERGENCY UNEMPLOYMENT COMPENSATION WITH REGULAR COMPENSATION.

(a) CERTAIN INDIVIDUALS NOT INELIGIBLE BY REASON OF NEW ENTITLEMENT TO REGULAR BENEFITS.—Section 4002 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by adding at the end the following:

''(g) COORDINATION OF EMERGENCY UNEMPLOYMENT COMPENSATION WITH REGULAR COMPENSATION.—

''(1) If—

''(A) an individual has been determined to be entitled to emergency unemployment compensation with respect to a benefit year,

''(B) that benefit year has expired,

''(C) that individual has remaining entitlement to emergency unemployment compensation with respect to that benefit year, and

''(D) that individual would qualify for a new benefit year in which the weekly benefit amount of regular compensation is at least either $100 or 25 percent less than the individual's weekly benefit amount in the benefit year referred to in subparagraph (A),

then the State shall determine eligibility for compensation as provided in paragraph (2).

''(2) For individuals described in paragraph (1), the State shall determine whether the individual is to be paid emergency unemployment compensation or regular compensation for a week of unemployment using one of the following methods:

''(A) The State shall, if permitted by State law, establish a new benefit year, but defer the payment of regular compensation with respect to that new benefit year until exhaustion of all emergency unemployment compensation payable with respect to the benefit year referred to in paragraph (1)(A);

''(B) The State shall, if permitted by State law, defer the establishment of a new benefit year (which uses all the wages and employment which would have been used to establish a benefit year but for the application of this paragraph), until exhaustion of all emergency unemployment compensation payable with respect to the benefit year referred to in paragraph(1)(A);

''(C) The State shall pay, if permitted by State law—

''(i) regular compensation equal to the weekly benefit amount established under the new benefit year, and

''(ii) emergency unemployment compensation equal to the difference between that weekly benefit amount and the weekly benefit amount for the expired benefit year; or

''(D) The State shall determine rights to emergency unemployment compensation without regard to any rights to regular compensation if the individual elects to not file a claim for regular compensation under the new benefit year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals whose benefit years, as described in section 4002(g)(1)(B) the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note), as amended by this section, expire after the date of enactment of this Act.

SEC. 4. REQUIRING STATES TO NOT REDUCE REGULAR COMPENSATION IN ORDER TO BE ELIGIBLE FOR FUNDS UNDER THE EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

Section 4001 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by adding at the end the following new subsection:

''(g) NONREDUCTION RULE.—An agreement under this section shall not apply (or shall cease to apply) with respect to a State upon a determination by the Secretary that the method governing the computation of regular compensation under the State law of that State has been modified in a manner such that—

''(1) the average weekly benefit amount of regular compensation which will be payable during the period of the agreement occurring on or after June 2, 2010 (determined disregarding any additional amounts attributable to the modification described in section 2002(b)(1) of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 438)), will be less than

''(2) the average weekly benefit amount of regular compensation which would otherwise have been payable during such period under the State law, as in effect on June 2, 2010.''.

SEC. 5. EXTENSION OF HOMEBUYER CREDIT FOR CERTAIN PURCHASES PURSUANT TO BINDING CONTRACTS.

(a) IN GENERAL.—Paragraph (2) of section 36(h) of the Internal Revenue Code of 1986 is amended by striking ''paragraph (1) shall be applied by substituting 'July 1, 2010' '' and inserting ''and who purchases such residence before October 1, 2010, paragraph (1) shall be applied by substituting 'October 1, 2010' ''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 36(h)(3) of the Internal Revenue Code of 1986 is amended by inserting ''and for 'October 1, 2010' '' after ''for 'July 1, 2010' ''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to residences purchased after June 30, 2010.

SEC. 6. AMENDMENT OF TRAVEL PROMOTION ACT OF 2009.

(a) TRAVEL PROMOTION FUND FEES.—Section 217(h)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1187(h)(3)(B)) is amended—

(1) by striking ''subsection (d) of section 11 of the Travel Promotion Act of 2009.'' in clause (ii) and inserting ''subsection (d) of the Travel Promotion Act of 2009 (22 U.S.C. 2131(d)).''; and

(2) by striking ''September 30, 2014.'' in clause (iii) and inserting ''September 30, 2015.''.

(b) IMPLEMENTATION BEGINNING IN FISCAL YEAR 2011.—Subsection (d) of the Travel Promotion Act of 2009 (22 U.S.C. 2131(d)) is amended—

(1) by striking ''For fiscal year 2010, the'' in paragraph (2)(A) and inserting ''The'';

(2) by striking ''quarterly, beginning on January 1, 2010,'' in paragraph (2)(A) and inserting ''monthly, immediately following the collection of fees under section 217(h)(3)(B)(i)(I) of the Immigration and Nationality Act (8 U.S.C. 1187(h)(3)(B)(i)(I),'';

(3) by striking ''fiscal years 2011 through 2014,'' in paragraph (2)(B) and inserting ''fiscal years 2012 through 2015,'';

(4) by striking ''fiscal year 2010,'' in paragraph (3)(A) and inserting ''fiscal year 2011,'';

(5) by striking ''fiscal year 2011,'' each place it appears in paragraph (3)(A) and inserting ''fiscal year 2012,''; and

(6) by striking ''fiscal year 2010, 2011, 2012, 2013, or 2014'' in paragraph (4)(B) and inserting ''fiscal year 2011, 2012, 2013, 2014, or 2015''.

SEC. 7. DISCLOSURE OF PRISONER RETURN INFORMATION TO STATE PRISONS.

(a) IN GENERAL.—Subparagraph (A) of section 6103(k)(10) of the Internal Revenue Code of 1986 is amended—

(1) by inserting ''and the head of any State agency charged with the responsibility for administration of prisons'' after ''the head of the Federal Bureau of Prisons'', and

(2) by striking ''Federal prison'' and inserting ''Federal or State prison''.

(b) RESTRICTION ON REDISCLOSURE.—Subparagraph (B) of section 6103(k)(10) of such Code is amended—

(1) by inserting ''and the head of any State agency charged with the responsibility for administration of prisons'' after ''the head of the Federal Bureau of Prisons'', and

(2) by inserting ''or agency'' after ''such Bureau''.

(c) RECORDKEEPING.—Paragraph (4) of section 6103(p) of such Code is amended by inserting ''(k)(10),'' before ''(l)(6),'' in the matter preceding subparagraph (A).

(d) CLERICAL AMENDMENT.—The heading of paragraph (10) of section 6103(k) of such Code is amended by striking ''OF PRISONERS TO FEDERAL BUREAU OF PRISONS'' and inserting ''TO CERTAIN PRISON OFFICIALS''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures made after the date of the enactment of this Act.

SEC. 8. RESCISSIONS.

Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts and programs in the specified amounts:

''Research, Development, Test and Evaluation, Army, 2009/2010'', $20,000,000.

''Research, Development, Test and Evaluation, Air Force, 2009/2010'', $39,000,000.

''Research, Development, Test and Evaluation, Defense-Wide, 2009/2010'', $35,000,000.

SEC. 9. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

(a) SHIFT FROM 2015 TO 2014.—The percentage under paragraph (1) of section 202(b) of the Corporate Estimated Tax Shift Act of 2009 in effect on the date of the enactment of this Act is increased by 0.25 percentage points.

(b) SHIFT FROM 2016 TO 2015.—The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act in effect on the date of the enactment of this Act is increased by 0.25 percentage points.

SEC. 10. BUDGETARY PROVISIONS.

(a) STATUTORY PAYGO.—The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled 'Budgetary Effects of PAYGO Legislation' for this Act, jointly submitted for printing in the Congressional Record by the Chairmen of the House and Senate Budget Committees, provided that such statement has been submitted prior to the vote on passage in the House acting first on this conference report or amendment between the Houses.

(b) EMERGENCY DESIGNATIONS.—Sections 2 and 3—

(1) are designated as an emergency requirement pursuant to section 4(g) of the Statutory Pay-As-You-Go Act of 2010 (Public Law 111–139; 2 U.S.C. 933(g));

(2) in the House of Representatives, are designated as an emergency for purposes of pay-as-you-go principles; and

(3) in the Senate, are designated as an emergency requirement pursuant to section 403(a) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010.

SA 4426. Mr. REID proposed an amendment to amendment SA 4425 proposed by Mr. REID to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; as follows:

At the end of the amendment, insert the following:

The provisions of this Act shall become effective 3 days after enactment.

SA 4427. Mr. REID proposed an amendment to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; as follows:

At the end, insert the following:

The Committee on Finance is requested to study the economic impact of the delay in implementing the provisions of the Act on job creation on a national and regional level.

SA 4428. Mr. REID proposed an amendment to amendment SA 4427 proposed by Mr. REID to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; as follows:

At the end, insert the following:

and include statistical data on the specific service related positions created

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SA 4429. Mr. REID proposed an amendment to amendment SA 4428 proposed by Mr. REID to the amendment SA 4427 proposed by Mr. REID to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; as follows:

At the end, insert the following:

and the impact on the local economy.

SA 4430. Mrs. BOXER (for herself and Ms. LANDRIEU) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the end of part III of subtitle A of title II, insert the following:

SEC. _____. STANDARD HOME OFFICE DEDUCTION.

(a) IN GENERAL.—Subsection (c) of section 280A of the Internal Revenue Code of 1986 (relating to disallowance of certain expenses in connection with business use of home, rental of vacation homes, etc.) is amended by adding at the end the following new paragraph:

''(7) STANDARD HOME OFFICE DEDUCTION.—

''(A) IN GENERAL.—In the case of an individual who is allowed a deduction for the use of a home office because of a use described in paragraphs (1), (2), or (4) of this subsection, notwithstanding the limitations of paragraph (5), if such individual elects the application of this paragraph for the taxable year, such individual shall be allowed a deduction equal to the standard home office deduction for the taxable year in lieu of the deductions otherwise allowable under this chapter for such taxable year by reason of being attributed to such use.

''(B) STANDARD HOME OFFICE DEDUCTION.—For purposes of this paragraph, the standard home office deduction is the lesser of—

''(i) $1,200, or

''(ii) the gross income derived from the individual's trade or business for which such use occurs.

''(C) TERMINATION.—This paragraph shall not apply to taxable years beginning after December 31, 2010.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2009.

(c) OFFSET.—Not later than 60 days after the date of the enactment of this Act, the Director of the Office of Management and Budget, in consultation with the heads of the Federal departments and agencies, shall direct the Federal departments and agencies to reduce nonessential government travel by $158,000,000 in fiscal year 2011.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that the oversight hearing scheduled before the Subcommittee on Water and Power for Thursday, July 1, 2010, at 2:30 p.m., has been postponed.

The purpose of this oversight hearing is to examine the Federal response to the discovery of the aquatic invasive species Asian carp in Lake Calumet, Illinois.

For further information, please contact Tanya Trujillo or Gina Weinstock.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that the hearing scheduled before the Senate Committee on Energy and Natural Resources previously announced for July 1, at 9:30 a.m., has been rescheduled and will now be held on Wednesday, June 30, 2010, at 2:30 p.m., in room SD–366 of the Dirksen Senate Office Building.

The purpose of the hearing is to receive testimony on S. 3452, a bill to designate the Valles Caldera National Preserve as a unit of the National Park System, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send it to the Committee on Energy and Natural Resources, United States Senate, Washington, DC 20510–6150, or by email to testimony@energy.senate.gov.

For further information, please contact David Brooks or Allison Seyferth.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on June 29, 2010, at 9:30 a.m.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on June 29, 2010, at 9:30 a.m.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet, during the session of the Senate, to conduct a hearing entitled ''Examining the Continuing Needs of Workers and Communities Affected by 9/11'' on June 29, 2010. The hearing will commence at 2:30 p.m. in room 430 of the Dirksen Senate Office Building.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on June 29, 2010, at 2:30 p.m.

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

COMMITTEE ON THE JUDICIARY

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on June 29, 2010, at 9 a.m., in room SH–216 of the Hart Senate Office Building, to continue the hearing on the nomination of Elena Kagan to be an Associate Justice of the Supreme Court of the United States.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on June 29, 2010 at 2:30 p.m.

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

PRIVILEGES OF THE FLOOR

Mr. ENZI. Mr. President, I ask unanimous consent that Spencer Suffling and Casey O'Neill of Senator BINGAMAN's office be granted the privilege of the floor for today, June 29, 2010.

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

Mr. BAUCUS. Mr. President, I ask unanimous consent that the following staff of the Finance Committee be granted the privileges of the floor during consideration of the small business jobs bill:

Maia Aageson, Emilyn Anderson, Logan Baker, Mary Baker, Andrew Fishburn, Benjamin Furnas, Anders Landgren, John Merrick, Kristian Miller, Kathryn Spika, Greg Sullivan, Logan Timmerhoff, Ashley Zuelke.

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

PREDISASTER HAZARD MITIGATION ACT OF 2010

On Monday, June 28, 2010, the Senate passed S. 3249, as amended, as follows:

S. 3249

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Predisaster Hazard Mitigation Act of 2010''.

SEC. 2. PREDISASTER HAZARD MITIGATION.

(a) ALLOCATION OF FUNDS.—Section 203(f) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(f)) is amended to read as follows:

''(f) ALLOCATION OF FUNDS.—

''(1) IN GENERAL.—The President shall award financial assistance under this section on a competitive basis and in accordance with the criteria in subsection (g).

''(2) MINIMUM AND MAXIMUM AMOUNTS.—In providing financial assistance under this section, the President shall ensure that the amount of financial assistance made available to a State (including amounts made available to local governments of the State) for a fiscal year—

''(A) is not less than the lesser of—

''(i) $575,000; or

''(ii) the amount that is equal to 1 percent of the total funds appropriated to carry out this section for the fiscal year; and

''(B) does not exceed the amount that is equal to 15 percent of the total funds appropriated to carry out this section for the fiscal year.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 203(m) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(m)) is amended to read as follows:

''(m) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

''(1) $180,000,000 for fiscal year 2011;

''(2) $190,000,000 for fiscal year 2012;

''(3) $200,000,000 for fiscal year 2013;

''(4) $200,000,000 for fiscal year 2014; and

''(5) $200,000,000 for fiscal year 2015.''.

(c) TECHNICAL CORRECTIONS TO REFERENCES.—The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) is amended—

(1) in section 602(a) (42 U.S.C. 5195a(a)), by striking paragraph (7) and inserting the following:

''(7) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Federal Emergency Management Agency.''; and

(2) by striking ''Director'' each place it appears and inserting ''Administrator'', except—

(A) in section 622 (42 U.S.C. 5197a)—

(i) in the second and fourth places it appears in subsection (c); and

(ii) in subsection (d); and

(B) in section 626(b) (42 U.S.C. 5197e(b)).

SEC. 3. PROHIBITION ON EARMARKS.

Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133) is amended by adding at the end the following:

''(n) PROHIBITION ON EARMARKS.—

''(1) IN GENERAL.—None of the funds appropriated or otherwise made available to carry out this section may be used for congressionally directed spending, as defined under rule XLIV of the Standing Rules of the Senate.

''(2) REPORT TO CONGRESS.—If grants are awarded under this section using procedures other than competitive procedures, the Administrator of the Federal Emergency Management Agency shall submit to Congress a report explaining why competitive procedures were not used.''.

UNANIMOUS-CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. REID. Mr. President, as in executive session, I ask unanimous consent that on Wednesday, June 30, following morning business, the Senate proceed to executive session to consider Calendar No. 963, the nomination of GEN David Petraeus, and that there be 20 minutes of debate with respect to the nomination, with the time equally divided and controlled between Senators LEVIN and MCCAIN or their designees; that upon the use or yielding back of time, the Senate proceed to vote on confirmation of the nomination; that upon confirmation, the motion to reconsider be considered made and laid upon the table, the President be immediately notified of the Senate's action, and the Senate then resume legislative session.

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

RECOGNIZING THE IMPORTANT ROLE OF FATHERS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H. Con. Res. 285.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 285) recognizing the important role that fathers play in the lives of their children and families and supporting the goals and ideals of designating 2010 as the Year of the Father.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. REID. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate, and any statements related to this matter be printed in the RECORD.

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

The concurrent resolution (H. Con. Res. 285) was agreed to.

The preamble was agreed to.

NATIONAL DAY OF THE AMERICAN COWBOY

Mr. REID. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of and the Senate now proceed to S. Res. 554.

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

The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 554) designating July 24, 2010, as ''National Day of the American Cowboy.''

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

Mr. REID. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be laid upon the table.

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

The resolution (S. Res. 554) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 554

Whereas pioneering men and women, recognized as ''cowboys'', helped establish the American West;

Whereas the cowboy embodies honesty, integrity, courage, compassion, respect, a strong work ethic, and patriotism;

Whereas the cowboy spirit exemplifies strength of character, sound family values, and good common sense;

Whereas the cowboy archetype transcends ethnicity, gender, geographic boundaries, and political affiliations;

Whereas the cowboy is an excellent steward of the land and its creatures, who lives off the land and works to protect and enhance the environment;

Whereas cowboy traditions have been a part of American culture for generations;

Whereas the cowboy continues to be an important part of the economy through the work of many thousands of ranchers across the Nation who contribute to the economic well-being of every State;

Whereas millions of fans watch professional and working ranch rodeo events annually, and rodeo is one of the most-watched sports in the Nation;

Whereas membership and participation in rodeo and other organizations that promote and encompass the livelihood of cowboys span every generation and transcend race and gender;

Whereas the cowboy is a central figure in literature, film, and music and occupies a central place in the public imagination;

Whereas the cowboy is an American icon; and

Whereas the ongoing contributions made by cowboys and cowgirls to their communities should be recognized and encouraged: Now, therefore, be it

Resolved, That the Senate—

(1) designates July 24, 2010, as ''National Day of the American Cowboy''; and

(2) encourages the people of the United States to observe the day with appropriate ceremonies and activities.

RECOGNIZING THE 50TH ANNIVERSARY OF THE RATIFICATION OF THE TREATY OF MUTUAL SECURITY AND COOPERATION WITH JAPAN

Mr. REID. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of S. Res. 564 and that the Senate now take up that matter.

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

The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 564) recognizing the 50th anniversary of the ratification of the Treaty of Mutual Security and Cooperation with Japan, and affirming support for the United States-Japan security alliance and relationship.

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

Mr. REID. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be laid upon the table; that there be no intervening action or debate, and any statements relating to this matter be printed in the RECORD.

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

The resolution (S. Res. 564) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 564

Whereas Japan became a treaty ally of the United States with the signing of the Treaty of Mutual Cooperation and Security on January 19, 1960;

Whereas the treaty entered into force on June 19, 1960, after its ratification by the Japanese Diet and the United States Senate;

Whereas, in furtherance of the treaty, Japan hosts approximately 36,000 members of the United States Armed Forces, 43,000 dependents, and 5,000 civilian employees of the Department of Defense, with a majority located on the island of Okinawa;

Whereas the United States and Japan signed the Roadmap for Realignment Implementation on May 1, 2006, to strengthen the alliance by maintaining defense capabilities while reducing burdens on local communities;

Whereas the United States and Japan signed the Guam Agreement on February 17, 2009, on the relocation of approximately 8,000 Marines assigned to the III Marine Expeditionary Force (MEF) personnel and their approximately 9,000 dependents from Okinawa to Guam, which would reduce the presence of the Marine Corps on Okinawa by nearly half;

Whereas the Governments of the United States and Japan maintain a strong security partnership through joint exercises between the United States Armed Forces and Japan's Self-Defense Forces;

Whereas Japan's Self-Defense Forces have contributed broadly to global security missions, including relief operations following the tsunami in Indonesia in 2005, reconstruction in Iraq from 2004 to 2006, relief assistance following the earthquake in Haiti in 2010, and maritime security operations in the Gulf of Aden;

Whereas Japan assists in the United States-led effort in Afghanistan where it ranks as the second-largest donor after the United States, pledging $5,000,000,000 over five years to improve infrastructure, education, and health, in addition to underwriting, with the United Kingdom, a reintegration trust fund for former Taliban fighters;

Whereas Japan's Self-Defense Forces have played a vital role in United Nations peacekeeping operations around the world, beginning in 1992 when Japan dispatched two 600-member engineering battalions to the United Nations Transitional Authority in Cambodia (UNTAC);

Whereas the sinking of the Republic of Korea's Cheonan naval ship by North Korea was a direct provocation intended to destabilize Northeast Asia and demonstrates the importance of cooperation between the United States and Japan on regional security issues;

Whereas recent maritime activities by China's People's Liberation Army Navy to challenge Japan's sovereignty claims in waters contested by Japan and China underscore the vital nature of the United States-Japan alliance to maintaining a balance of security in the region;

Whereas, on May 28, 2010, members of the United States-Japan Security Consultative Committee reconfirmed that, in this 50th anniversary year of the signing of the Treaty of Mutual Cooperation and Security, the United States-Japan alliance remains ''indispensable not only to the defense of Japan, but also to the peace, security, and prosperity of the Asia-Pacific region'';

Whereas the security alliance has served as the foundation for deep cultural, political, and economic ties between the people of the United States and the people of Japan; and

Whereas Japan remains a steadfast global partner with shared values of freedom, democracy, and liberty: Now, therefore, be it

Resolved, That the Senate—

(1) affirms its commitment to the United States-Japan security alliance and the deep friendship of both countries that is based on shared values;

(2) recognizes the benefits of the alliance to the national security of the United States and Japan, as well as to regional peace and security;

(3) recognizes the contributions of and expresses appreciation for the people of Japan, and in particular the people of Okinawa, in hosting members of the United States Armed Forces and their families in Japan;

(4) values the involvement of Japan's Self-Defense Forces in regional and global security operations;

(5) promotes the implementation of the Roadmap for Realignment to reduce the burden on local communities while maintaining the United States strategic posture in Asia; and

(6) anticipates the continuation of the steadfast alliance with its invaluable contribution to global peace, democracy, and security.

PROVIDING FOR THE USE OF THE CAPITOL VISITOR CENTER CATAFALQUE

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to S. Con. Res. 65.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 65) providing for the use of the catafalque situated in the Exhibition Hall of the Capitol Visitor Center in connection with memorial services to be conducted in the United States Senate Chamber for the Honorable ROBERT C. BYRD, late a Senator from the State of West Virginia.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. REID. I ask unanimous consent that the concurrent resolution be agreed to and the motion to reconsider be laid upon the table.

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

The concurrent resolution (S. Con. Res. 65) was agreed to, as follows:

S. CON. RES. 65

Resolved by the Senate (the House of Representatives concurring), That the Architect of the Capitol is authorized and directed to transfer the catafalque which is situated in the Exhibition Hall of the Capitol Visitor Center to the Senate Chamber so that such catafalque may be used in connection with services to be conducted there for the Honorable ROBERT C. BYRD, late a Senator from the State of West Virginia.

RELATIVE TO THE MEMORIAL OBSERVANCES OF THE HONORABLE ROBERT C. BYRD

Mr. REID. I ask unanimous consent to proceed to S. Res. 574.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 574) relative to the memorial observances of the Honorable ROBERT C. BYRD, late a Senator from the State of West Virginia.

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

Mr. REID. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to en bloc, and the motions to reconsider be laid upon the table en bloc.

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

The resolution (S. Res. 574) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 574

Whereas, The Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable ROBERT C. BYRD, late a Senator from the State of West Virginia: Now, therefore, be it

Resolve, That the memorial observances of the Honorable ROBERT C. BYRD, late a Senator from the State of West Virginia, be held in the Senate Chamber on Thursday, July 1, 2010, beginning 10:00 a.m., and that the Senate attend the same.

Resolve, That paragraph 1 of Rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol (prohibiting the taking of pictures in the Senate Chamber) be temporarily suspended for the sole and specific purpose of permitting the Senate Photographic Studio to photograph this memorial observance.

Resolved, That the Sergeant at Arms be directed to make necessary and appropriate arrangements in connection with the memorial observances in the Senate Chamber.

Resolve, That the Secretary of the Senate communicate these resolutions to the House of Representatives, transmit an enrolled copy thereof to the family of the deceased, and invite the House of Representatives and the family of the deceased to attend the memorial observance in the Senate Chamber.

Resolve, That invitations be extended to the President of the United States, the Vice President of the United States, and the members of the Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the Diplomatic Corps (through the Secretary of State), the Chief of Staff of the Army, the Chief of Naval Operations of the Navy, the Major General Commandant of the Marine Corps, the Chief of Staff of the Air Force, and the Commandant of the Coast Guard to attend the memorial observances in the Senate Chamber.

MEASURE READ THE FIRST TIME—H.R. 5623

Mr. REID. Mr. President, I have been told that H.R. 5623 has been received from the House and is now at the desk. I ask for its first reading.

The PRESIDING OFFICER. The Senator is correct. The clerk will report the bill by title for the first time.

The assistant legislative clerk read as follows:

A bill (H.R. 5623) to amend the Internal Revenue Code of 1986 to extend the homebuyer tax credit for the purchase of a principal residence before October 1, 2010, in the case of a written binding contract, entered into with respect to such principal residence before May 1, 2010, and for other purposes.

Mr. REID. Mr. President, I ask for its second reading but object to my own request.

The PRESIDING OFFICER. Objection having been heard, the bill will receive its second reading on the next legislative day.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 111–6

Mr. REID. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following treaty transmitted to the Senate on June 29, 2010, by the President of the United States: Mutual Legal Assistance Treaty with Bermuda, Treaty Document No. 111–6. I further ask unanimous consent that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

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

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the Government of the United States of America and the Government of Bermuda relating to Mutual Legal Assistance in Criminal Matters, signed at Hamilton on January 12, 2009. I also transmit, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of modern mutual legal assistance treaties being negotiated by the United States to more effectively counter criminal activities. The Treaty should enhance our ability to investigate and prosecute a wide variety of crimes.

The Treaty provides for a broad range of cooperation in criminal matters. Under the Treaty, the Parties agree to assist each other by, among other things: producing evidence (such as testimony, documents, or items) obtained voluntarily or, where necessary, by compulsion; arranging for persons, including persons in custody, to travel to the other country to provide evidence; serving documents; executing searches and seizures; locating and identifying persons or items; and freezing and forfeiting assets or property that may be the proceeds or instrumentalities of crime.

I recommend that the Senate give early and favorable consideration to the Treaty, and give its advice and consent to ratification.

BARACK OBAMA.

THE WHITE HOUSE, *June 29, 2010*.

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, upon the recommendation of the Republican leader, pursuant to Public Law 105–292, as amended by Public Law 106–55, and as further amended by Public Law 107–228, appoints the following individual to the United States Commission on International Religious Freedom: Richard D. Land of Tennessee.

ORDER FOR MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that on Wednesday, June 30, after any leader time, there be a 2-hour period for the transaction of morning business, with Senators permitted to speak therein for up to 10 minutes each, and that during this period of time, Senators may offer tributes to the late Senator ROBERT C. BYRD.

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

ORDER FOR PRINTING OF TRIBUTES

Mr. REID. Mr. President, I ask unanimous consent that tributes to ROBERT C. BYRD, late a Senator from West Virginia, be printed as a Senate document, and that Members have until 12 noon, Friday, August 6, 2010, to submit said tributes.

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

ORDERS FOR WEDNESDAY, JUNE 30, 2010

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m., Wednesday, June 30; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day; that following any leader remarks, the Senate proceed to a period of morning business for 2 hours with Senators permitted to speak for up to 10 minutes each; that following morning business, the Senate proceed to executive session, as provided for under the previous order.

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

PROGRAM

Mr. REID. Mr. President, tomorrow, following 2 hours of morning business, the Senate will proceed to executive session to consider the nomination of David Petraeus. There will be up to 20 minutes of debate on the nomination. Senators should expect a vote around 12 noon tomorrow on the confirmation of General Petraeus.

Following the nomination, we will expect to resume consideration of the small business jobs bill. Additional rollcall votes are expected to occur throughout the afternoon in relation to amendments to the small business jobs bill and the unemployment insurance extension, if we are able to reach an agreement.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it adjourn under the previous order.

There being no objection, the Senate, at 8:01 p.m., adjourned until Wednesday, June 30, 2010, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate:

DEPARTMENT OF STATE

NORMAN L. EISEN, OF THE DISTRICT OF COLUMBIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE CZECH REPUBLIC.

SCOT ALAN MARCIEL, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF INDONESIA.

TERENCE PATRICK MCCULLEY, OF OREGON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERAL REPUBLIC OF NIGERIA.

LARRY LEON PALMER, OF GEORGIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE BOLIVARIAN REPUBLIC OF VENEZUELA.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE UNITED STATES MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. ROBERT E. SCHMIDLE, JR.

IN THE AIR FORCE

THE FOLLOWING NAMED INDIVIDUAL FOR APPOINTMENT TO THE GRADE INDICATED IN THE REGULAR AIR FORCE UNDER TITLE 10, U.S.C., SECTION 531(A):

To be major

ZENNON A. BOCHNAK

THE FOLLOWING NAMED AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12212:

To be colonel

FREDRICK D. ALDRIDGE
KRAIG ANDREW ARTZ
REBECCA A. N. BAHM
MALINDA M. BEGGS
DANIEL F. BILES
WAYLON D. BLAKELEY
ERIC L. BRATU
ZANE E. BROWN
GERALD L. CHAMPLIN
JOHN J. CHIANESE
KEVIN DAVID CLOTFELTER
ANTHONY ASIS DEJESUS
COLLEEN ANTOINETTE DICKINSON
THOMAS W. DIXON
WILLIAM JOSEPH DORAN III
JOHN R. DOUGHERTY
FLOYD W. DUNSTAN
CRAIG E. DYE
KENNETH S. EAVES
EARL ALEXANDER EVANS
PAUL T. FITZGERALD
MARK R. FLEMMING
KENNETH CARL FOLGER
JOHN STOREY GALLAGHER
JAMES R. GALLOWAY
JUAN C. GARCIADIAZ
ALYSON M. GIOIA
FREDERICK A. GLOAD
MICHAEL BRENDON GREIGER
ROHN H. HAMILTON
PAUL G. HAVEL
DAVID CARL HAWKINS
MURIEL L. HERMAN
DANA A. HESSHEIMER
GREGORY SCOTT HOLZHEI
JEFFREY G. HWANG
DAVID JAURIQUE
WILL LEON JOHNSON
JOHN F. KANE
MICHAEL R. KELLEY
CALVIN WILFRID KEMP
MICHAEL JON KITTO
RONALD WILLIAM KRUEGER
JOSEPH PETER MASLAR
MAREN MCAVOY
MICHAEL THOMAS MCGUIRE
JAMES L. MCKOANE III
MICHAEL C. MCMILLIN
GARY MARK MIDDLEBROOKS
DONALD CHARLES MOBLY
PATRICK M. MORGAN
BRIAN P. PATTERSON
BRIAN J. REILLY
SHANE LEO SANDERS
MICHAEL W. SANDERSON
STANLEY K. SATO
TIMOTHY F. SCHUSTER
PAUL E. SHINGLEDECKER
KRISTINA LYNETTE SILBERSCHLAG
BRIAN N. SIVERTSON
CHARLES JOHN SMITH, JR.
AARON D. SMOLLER
TRACY DEWAYNE SPENCER
DAVID EUGENE SULLIVAN
KIMBERLY LYNN TERPENING
JEFFREY L. THETFORD
LEE ROY THOMPSON
MICHAEL J. TOKARZ
ERIC TURNER VAUGHN
HOWARD N. WAGNER
LINDSEY AVERELL WHITEHEAD
JOHN A. WILLIAMSON, JR.
TERENCE C. WINKLER
BRENT WRAY WRIGHT
SCOTT D. YACKLEY

IN THE ARMY

THE FOLLOWING NAMED INDIVIDUAL TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

EDWARD B. MCKEE

THE FOLLOWING NAMED INDIVIDUAL FOR REGULAR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL SERVICE CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be lieutenant colonel

JOHN D. VIA

THE FOLLOWING NAMED INDIVIDUAL FOR REGULAR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY NURSE CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be major

KYU LUND

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C., SECTION 624:

To be major

MATTHEW L. Y. OKUDA

THE FOLLOWING NAMED INDIVIDUAL FOR REGULAR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL SPECIALIST CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be major

ALEXANDER K. BRENNER

THE FOLLOWING NAMED INDIVIDUAL FOR REGULAR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY DENTAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be lieutenant colonel

RICHARD J. GRAY

THE FOLLOWING NAMED INDIVIDUALS FOR REGULAR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES ARMY MEDICAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be colonel

JOSEPH B. DORE

To be lieutenant colonel

LENA FRIEND
CHARLES B. GODFREY
PETER J. MCDONNELL

To be major

NICHOLAS JASZCZAK
DARIUSZ G. MYDLARZ
COURTNEY T. TRIPP

THE FOLLOWING NAMED OFFICERS FOR REGULAR APPOINTMENT IN THE GRADES INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C., SECTION 531:

To be lieutenant colonel

EDWARD C. CAMACHO
PATRICK M. MIFSUD
DONALD E. PETERS

To be major

JONAS C. BRAUD
WILFREDO CORPS
ZACHARY W. COYAN
STEVEN J. GRIBSCHAW
ERIC D. KELLEY
CARLOS F. MENDEZRAMOS
MARK P. MICHELS
JESSICA V. MERRIAM
ERIC T. PHILLIPS
JON B. TIPTON

THE FOLLOWING NAMED INDIVIDUALS FOR REGULAR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES ARMY DENTAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be lieutenant colonel

DAVID GONZALEZ

To be major

PAMELA H. REYNOLDS

THE FOLLOWING NAMED INDIVIDUALS FOR REGULAR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES ARMY MEDICAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be colonel

GREGORY C. RISK

To be major

VICTOR Y. YU

THE FOLLOWING NAMED INDIVIDUALS FOR REGULAR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES ARMY MEDICAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be lieutenant colonel

MARK M. JACKSON

To be major

SCOTT M. DAVIS
MATTHEW E. GOMEZ
AVINASH JADHAV

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

PAUL J. JOYCE

THE FOLLOWING NAMED INDIVIDUAL FOR APPOINTMENT TO THE GRADE INDICATED IN THE REGULAR NAVY UNDER TITLE 10, U.S.C., SECTION 531:

To be captain

KERRY J. KRAUSE

THE FOLLOWING NAMED OFFICER FOR REGULAR APPOINTMENT IN THE GRADES INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

MATTHEW D. BARKER

THE FOLLOWING NAMED INDIVIDUALS FOR REGULAR APPOINTMENT IN THE GRADES INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 531:

To be commander

CHRISTOPHER J. KLUGEWICZ

To be lieutenant commander

DWIGHT A. HOLLAND
DIEUTHU T. NGUYEN
BRIGHAM C. WILLIS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be captain

EDGARDO MONTERO
BECKY J. WATSON

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be captain

DAVID B. RODRIGUEZ
BRADLEY J. THOM

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be captain

ROBERT C. BURTON
STEVEN K. KELLEY
TROY M. MCCLELLAND
SEAN P. MCDONELL
ROBERT A. OLIVER, JR.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be captain

JERRY D. BINGHAM
HANH H. CHAU
MARK J. FAILOR
DAVID A. KLEINKE
MICHAEL E. KRIEGER
STEVEN J. MASSEE
GEORGE R. MCKEMEY
AMIN MOURAD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

to be captain

RUBY O. ANDERSON
LAURIANN M. BROAD
JOANN W. FITZELL
MARIA M. HARBESON
DEBRA A. LOWE
JANICE D. MANARY
KAREN B. MORGAN
DIANNE M. OKONSKY
LYNN C. OMALLEY.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be captain

JOHN R. CAPRA
ANTHONY Z. KALAMS
BRIAN C. LANSING
JOSEPH T. LIMJUCO
ROBERT P. MOREAN
DILLON L. ROSS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be captain

PATRICIA A. FREDRICKSON
PHILBROOK S. MASON, JR.
MICHAEL L. REINEKE
JAMES M. SMITH

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be captain

FRANK M. GUPTON
BRADLEY H. HAJDIK
HENRY J. PIERPAN III
JAIME A. QUEJADA

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be captain

MICHAEL J. BATTAGLIA II
SHIU Y. L. BAXTER
HEATHER I. BLOMELEY
CHARLES A. BROWN
DAVID T. CARPENTER
CHARLES S. CHILDERS
G P. DABROWSKI
MICHAEL E. DORNEY
GERALD W. DRYDEN, JR.
MICHAEL A. MONTOPOLI
DAVID PALMER
JOSEPH E. SHERRILL II
JASON D. STONER
JAMES J. SULLIVAN, JR.
ROGER L. SUR
LESTER D. THOMPSON
KATHLEEN G. WILSON

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

ROBERTO J. ATHA, JR.
JEFFREY J. GUZIAK
RENE LAVERDE
SEAN M. MAXWELL
JAMES A. MCMULLIN III

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

THOMAS H. COTTON
LESLIE C. L. HULLRYDE
KATHLEEN S. KESLER
WILLIAM J. MARKS
TAMSEN A. REESE
GARY L. ROSS
WILLIAM H. SPEAKS
KEVIN R. STEPHENS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

MARIANIE O. BALOLONG
ANNA C. BRYANT
MICHAEL J. COOPER
RACHAEL A. DEMPSEY
BRAD G. HARRIS
JIMMY D. HORNE, JR.
RICHARD A. KENNEDY, JR.
THOMAS A. MONEYMAKER II
IVO J. PRIKASKY
WILLIAM A. SWICK
JONATHAN J. VORRATH

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

to be commander

FRANKLIN W. BENNETT
PAUL L. CHOATE
JEFFREY J. CHOWN
KELLY T. COVEY
THOMAS M. DALL
BRIAN K. GENTON
ROBERT C. GUSTAFSON
ARTHUR E. HARVEY
DARREN T. JONES
ANTHONY S. KELLY
JACQUELINE M. LAPACEK
DEMICHAEL T. MORGAN
ROBERT Y. PALMORE
CORY G. ROSENBERGER
EDWIN SANTANA

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

RICHARD M. ARCHER
PETER A. ARROBIO
LORY N. BATTAGLIA
JAMES C. CHITKO
ERIC M. GARDNER
MICHAEL J. GILLIO
LINDLEY W. GRUBBS
SAMUEL Y. HANAKI
MICHAEL K. KASLIK
CHRISTINE D. MCMANUS
SAMUEL J. MESSER
JEFFREY L. MISHAK
SEAN P. POLETE
GABRIELA RODRIGUEZ
LISA M. SULLIVAN
NAGEL B. SULLIVAN

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

WILLIAM ARIAS
OLIVIA L. BETHEA
DARIAN CALDWELL
JOHN J. CALVERT, JR.
GALO E. CHAVES
BRENT E. COWER
GROVER N. CRAFT, JR.
ALPHONSO M. DOSS
JOSE G. HERNANDEZ
JOHN D. HUDSON
ELENA P. INGRAM
NATHAN J. KING
STEVEN M. MILINKOVICH
DARRELL L. NEELEY
DAVID W. NIKODYM
KATHERINE J. SCHULLIAN
CHRISTIAN A. STOVER
AARON J. WAGNER
JAMES V. WALSH

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

NICHOLAS E. ANDREWS
JAMES S. BROWN
THANONGDETH T. CHINYAVONG
REGINA M. COX
JOSE CRUZ, JR.
KENNETH L. DEMICK, JR.
JAMES E. ELLIS
ROBERT C. FANNON
GARY L. FUSELIER
JAMES O. HAMMOND
JOSEPH F. HERZIG
TRACY L. HINES
JASON S. JONES
JOHN E. LARSON, JR.
JOSEPH C. MCALEXANDER
ERIC D. METOYER
MARTIN J. SABEL
MICHAEL H. SANDERS
KEVIN H. WAGNER
WILLIAM E. WREN, JR.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

JAMIE W. ACHEE
CHRISTOPHER L. BOWEN
STACY A. BOWMAN
GREG A. BRAATEN
DANIEL M. BROOKES
COLIN W. CHINN
HAROLD T. COLE
JOHN R. DROTAR
SHELLY V. FRANK
BARRY L. JAMES, JR.
JOSEPH P. LEPORATI
RACHEL J. V. LIND
JEFFREY S. MOORE
OWEN M. SCHOOLSKY
JOSEPH D. SEARS
VICTOR L. SPEARS III
ROBERT J. SUH
LUCIANA SUNG
HENRY M. VEGTER
DOUGLAS A. WHEATON
WILLIAM L. WOOD
HOLLY A. YUDISKY
DARYK E. ZIRKLE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

KEVIN L. ANDERSEN
GREGORY L. BENTON
SEAN I. FISCHER
MICHAEL S. FOWLER
THOMAS L. GIBBONS
SCOTT A. GOBAR
MAXINE GOODRIDGE
RANDELL R. HARRIS
BERTRAM L. JENNINGS
JIMMIE L. JONES
GREGORY C. LUDWIG
MICHAEL J. MCGINN, JR.
EDUARDO E. MORALES
DANIEL A. OLVERA
STEPHEN J. PAYSEUR
EDUARDO RAMIREZ
VICTOR M. RIVERAS, JR.
BRIAN K. ROTTNEK
DAVID B. SHANER
KEVIN L. SMITH
RAYMOND C. SPEARS
EDGAR S. TWINING II
VINCENT U. WEBSTER
MATT A. WELLS
PAUL W. WILKES

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

PATRICK L. BENNETT
JOHN E. CAMPBELL, JR.
PAUL D. CLIFFORD
PATRICK A. CROLEY
CHARLES W. EHNES
MICHEAL S. ERICKSON
DAVID W. GAST
LESLIE E. GLOSBY
JOHN B. HUGHES
MARK E. JOHNSON
DAVID S. KUHN
JOSHUA J. LAPENNA
PETER A. LASHOMB
JEREMY T. LEGHORN
TOBIAS J. LEMERANDE
SETH A. MILLER
WILLIAM L. PARTINGTON
STEVEN J. PERCHALSKI
JOSHUA S. PRICE
ETHAN R. PROPER
MICHAEL J. ROBISON
JUAN C. RODARTE
JOSEPH A. SAEGERT
NATHAN A. SCHNEIDER
WILLIAM A. SCHULTZ
ROBERT D. SCOTT
DJUENO S. SEARLES
JOSEPH B. TORREZ
RICARDO VIGIL
DIANNA WOLFSON
ERNEST C. WOODWARD, JR.
TIMOTHY L. ZANE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

BRIAN M. AKER
JULIE M. ALFIERI
LEAH AMERLINGBRAY
RORY V. BERKE
JAMES L. BOND
ANTHONY V. BROCK
KWAME O. COOKE
SCOTT M. CORRIGAN
CURTIS D. DEWITT
JOSEPH P. DIEMER
JOHN E. EAVES, JR.
TRENT W. FINGERSON
ROBERT T. FLICKINGER
JAMES P. FORD
MICHAEL N. GOAD
RICHARD K. GOUGER
STACY L. HANNA
CHRISTOPHER M. HERRON
KIMBERLY A. HIMMER
CHRISTOPHER A. HOFFMAN
JOSEPH M. KASPERSKI
RAYMOND E. KENDALL
RICHARD C. KING
JEFFREY J. KRUPKA
FRANCISCO J. MARTINEZ
KEVIN J. MCHALE, JR.
SUZANNE R. MEYER
ERIC C. MOSTOLLER
DENNIS S. OGRADY
CHARLES ONEAL, JR.
SWAPAN M. PATEL
JAMES G. REESE, JR.
ASHLEY C. ROSE
THOMAS P. SCARRY
KRISTOFER J. SCOTT
MARCUS D. STARKS
MICHELLE R. STONEKING
TIMOTHY M. SULLIVAN
HERBERT R. THOMPSON
JONATHAN S. VANLARE
JOSHUA B. WILSON
BRETT A. WISE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

to be commander

DAVID L. AAMODT
PAUL V. ACQUAVELLA
DEREK S. ADAMETZ
CHRISTOPHER W. ADAMS
DOUGLAS J. ADKISSON
JOHN E. AGER
ALBERT A. ALARRCON
ROBERT W. ALPIGINI, JR.

LUIS ALVA
ALEXANDER D. ANDERSON
JEREMY T. ANDREW
MATTHEW J. ANDREWS
WAYNE W. ANDREWS III
STEVEN W. ANTCLIFF
CORY R. APPLEBEE
LONNIE L. APPLEGET
DANIEL P. ARTHUR
ROBERT S. ASHBURN
GEORGE J. AUSTIN
JAMES D. BAHR
JASON W. BAILEY
DAVID S. BAIRD
GREGORY E. BAKER
LINDSEY J. BAKER III
NATHAN A. BALLOU
PAUL V. BANDINI
CRAIG D. BANGOR
CHRISTOPHER M. BANKS
MATTHEW A. BARKER
LUKE A. BARRADELL
JON A. BARTEE
BRIAN L. BECK
MICHAEL C. BECKETTE
KENNETH R. BELKOFER, JR.
BRIAN H. BENNETT
RYAN J. BERNACCHI
ROBERT A. BERNER
JEFFREY R. BESSLER
RICHARD A. BESTGEN
ANTHONY J. BILOTTI
MICHAEL A. BISBEE
CARL M. BLAHNIK
JOHN E. BLANKENSHIP
KURT P. BOENISCH
SHAWN A. BOHRER
MATTHEW R. BOLAND
CHAD A. BOLLMANN
GEORGE C. BOROVINA
PATRICK W. BOYCE
JOHN J. BRABAZON
MATTHEW BRADSHAW
MICHAEL J. BRAND
MICHAEL C. BRATLEY
CHRIS T. BRINKAC
GREGORY K. BROTHERTON
LESTER A. BROWN, JR.
RYAN J. BRYLA
JOHN L. BUB
MARK L. BUNN
MICHAEL A. BURCHIK, JR.
RICHARD G. BURGESS
IAN P. BURGOON
RODMAN D. BURLEY III
JAMIE F. BURTS
JOHN P. BUSER
WILLIAM C. BUSHMAN, JR.
STEPHANIE J. BUTLER
ERIC M. BUUS
DAVID W. BYRD
JOHN E. CAGE
JOHNNIE L. CALDWELL
SHARIF H. CALFEE
MARK J. CALLARI
DARYLE D. CARDONE
KEVIN L. CAREY
ADAM T. CARLSTROM
RICHARD W. CARNICKY
GARY L. CAVE
RYAN C. CECH
JILL R. CESARI
CLARK C. CHILDERS
BRANDON CHRISTENSEN
MARC R. CHRISTINO
TODD F. CIMICATA
FRANKIE J. CLARK
PATRICK B. CLARK
GABRIEL T. CLEMENS
DWIGHT L. CLEMONS II
JOSEPH M. COLE
JOSEPH W. COLEMAN
MATTHEW T. COLLINS
JAMES J. CONATSER
JOSEPH S. COOPER
TODD P. COPELAND
RICHARD G. COUTURE, JR.
CLARKE F. CRAINE
JAMES W. CRATE
PAUL D. CRAWFORD
PARIS E. CRENSHAW
EDWARD M. GROSSMAN
MATTHEW W. CUTTER
JASON A. DARISH
WESLEY S. DAUGHERTY
COLIN P. DAY
SAMUEL F. DECASTRO
LARRY D. DELONG, JR.
JEFFREY A. DERMODY
GRAHAME A. DICKS
BRIAN J. DIEBOLD
CYNTHIA A. DIETERLY
AARON W. DIMMOCK
RICHARD L. DIVINEY
THOMAS A. DONOVAN
BRIAN P. DOWNEY
MATTHEW J. DRAG
BRETT W. DRESDEN
MATTHEW J. DUFFY
RAYMOND N. DUMONT
RYAN K. DUNN
PETER J. EHLERS
TERESA E. ELDERS
JOEL A. ELLINGSON
DAVID W. ERIKSEN
KIMBERLY D. ERNST
JESSE G. ESPE
MARK T. EVANS
RICHARD A. EVANS
RUSSELL R. EVANS
CHAD M. FALGOUT
JEFFREY S. FARLIN
DAVID K. FAUGHT
JOHN J. FAY
DAVID B. FIELDS
LONNIE L. FIELDS
CHRIS J. FINOCCHIO
KURT E. FISCHL
GREGORY W. FITZGEARLD
BRIAN S. FITZPATRICK
TIMOTHY S. FONTANA
MICHAEL P. FOSTER
WILLIAM D. FRASER
JOHN P. FRIEDMAN
TODD M. FRIEDMAN
PAUL J. FRONTERA
MARTIN B. FUERST
STEPHEN C. FULLER
PATRICK M. FUNK
JOSEPH A. GAGLIANO
ROBERT M. GALLAGHER, JR.
WILMER B. GANGE
THOMAS J. GARCIA
JASON M. GARRETT
DAVID E. GAUGLER
RUSSELL M. GERALDI
PATRICK M. GESCHKE
MATTHEW G. GILLE
RUSSELL W. GIRTY
JOHN GIUSEPPE
ALFRED J. GLORIA
BENNET B. GOFF
JAMES M. GONZALEZ
NICHOLAS D. GOOD
THOMAS J. GRADY
JEREMY GRAY
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