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Legislative Bulletin.....November 18, 2009

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**H.R. 1839 - To amend the Small Business Act to improve SCORE
 (Rep. Buchanan, R-FL)**

Order of Business: The bill is scheduled to be considered on Wednesday, November 18, 2009, under a motion to suspend the rules and pass the bill.

Summary: This legislation was considered as Title V of H.R. 2352, which passed the House on May 20, 2009, by a vote of [406-15](#). The legislation requires administrators of the Service Corps of Retired Executives Program (SCORE) to actively recruit and maintain volunteer mentors in order to increasingly reflect socially- and economically-disadvantaged sectors of the population. This section also establishes a mentoring and networking program for small business concerns to provide one-on-one advice to small business concerns from counselors.

Committee Action: On April 1, 2009, the bill was introduced and referred to the Committee on Small Business. On April 30th, the subcommittee on Rural Development, Entrepreneurship and Trade held a mark-up and ordered the bill to be reported by voice vote to the full committee. On May 13, 2009, the bill was incorporated into H.R. 2352.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: The combined authorizations to carry out the programs for FY2010 and FY2011 total \$14,000,000. A CBO cost estimate report is unavailable.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes, the legislation expands the authority of several programs under the Small Business Administration.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee report citing compliance with rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. Such a report is technically not required because the bill is being considered under suspension of the rules.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Bruce F. Miller, bruce.miller@mail.house.gov, (202)-226-9720.

H.R. 1834 - Native American Business Development Enhancement Act of 2009 (Rep. Kirkpatrick, D-AZ)

Order of Business: The bill is scheduled to be considered on Wednesday, November 18, 2009, under a motion to suspend the rules and pass the bill.

Summary: This legislation was considered as Title III of H.R. 2352, which passed the House on May 20, 2009, by a vote of [406-15](#). The legislation establishes a new Office of Native American Affairs within the SBA to provide tools and strategies to increase Native American entrepreneurship. In addition, the bill sets up a Tribal Business Information Center (TBIC), where the Administrator may provide grants for business development. The bill also allows the SBA to assist with outreach, development, and enhancement on Indian lands of small business startups and expansions owned by Indian tribe members, Alaska Natives, and *Native Hawaiians*.

Conservative Concerns: Some conservatives have expressed concern over legislation and programs that give preferential treatment to “Native Hawaiians.” Such preferences could be considered unconstitutional and could undermine our commitment to equal protection under the law. The provision in the Constitution that grants Congress the power to recognize tribes clearly does not extend to the arbitrary designation of a group of people as an Indian tribe. According to Supreme Court precedent and federal law, only groups of people who have long operated as an Indian tribe, live as a separate and distinct community based on their geography and culture, and have a preexisting political structure can be recognized as a tribe. Some conservatives believe that Native Hawaiians do not meet that criteria. Additionally, unlike Native Americans on the continental U.S.,

94 percent of Hawaiians, including a large majority of Native Hawaiians, voted for statehood in 1959.

Committee Action: On April 1, 2009, the bill was introduced and referred to the Committee on Small Business. On April 30th, the subcommittee on Rural Development, Entrepreneurship and Trade held a mark-up and ordered the bill to be reported by voice vote to the full committee. On May 13, 2009, the bill was incorporated into H.R. 2352.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: Total authorizations to carry out the entire legislation for FY2010 and FY2011 total \$50,000,000. A CBO cost estimate report is unavailable.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes, the legislation expands the authority of the Small Business Administration and creates a new office of Native American Affairs.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee report citing compliance with rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. Such a report is technically not required because the bill is being considered under suspension of the rules.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

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H.R. 1842 - Expanding Entrepreneurship Act of 2009 (Rep. Luetkemeyer, R-MO)

Order of Business: The bill is scheduled to be considered on Wednesday, November 18, 2009, under a motion to suspend the rules and pass the bill.

Summary: This legislation was considered as Title VI of H.R. 2352, which passed the House on May 20, 2009, by a vote of [406-15](#). The bill requires the SBA to develop a plan and submit it to Congress for creating jobs through its entrepreneurial development programs, including the agency's plan for drawing on existing programs, including Small Business Development Centers, Women's Business Centers, SCORE, Veterans' Business Outreach Centers, Native American Outreach, and other appropriate initiatives. In addition, the legislation requires the SBA to coordinate with state and local economic development agencies and other federal agencies as appropriate.

Committee Action: On April 1, 2009, the bill was introduced and referred to the Committee on Small Business. On April 30th, the Subcommittee on Rural Development, Entrepreneurship and Trade held a mark-up and ordered the bill to be reported by voice vote to the full committee. On May 13, 2009, the bill was incorporated into H.R. 2352.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: A CBO cost estimate report is unavailable.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee report citing compliance with rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. Such a report is technically not required because the bill is being considered under suspension of the rules.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Bruce F. Miller, bruce.miller@mail.house.gov, (202)-226-9720.

H.R. 3738 - Small Business Early-Stage Investment Act of 2009 (Rep. Nye, D-VA)

Order of Business: The bill is scheduled to be considered on Wednesday, November 18, 2009, under a motion to suspend the rules and pass the bill.

Summary: This legislation was considered as Title VIII of H.R. 3854, which passed the House on October 29, 2009, by a vote of [389 – 32](#). The bill creates *a new small business early investment program* for venture capital funds to invest in small early-stage businesses with specific emphasis on those in targeted industries (defined as gross annual sales revenues below \$15,000,000 in any of the previous 3 years) and include companies engaged primarily in researching, developing, manufacturing, producing, or bringing to market goods, products, or services with respect to any of the following business sectors: “Agriculture technology, Energy technology, Environmental technology, Life sciences, Information technology, Digital media, Clean technology, and Defense technology.”

An incorporated body, limited liability company, or limited partnership must submit a plan to the SBA that includes requirements for describing how the company intends to make successful venture capital investments in early stage small businesses in targeted

industries, information regarding the relevant venture capital qualifications and personal background of the managers of the company applying to participate in the program, and a description of the extent to which the applicant meets other selection criteria that are also established under this part. Within 90 days after receiving an application, the Administrator must make a determination to approve a grant following seven specific selection criteria intended to determine the likelihood of success for the project.

The grants issued to selected companies may be up to amounts of \$100 million. Each grant must have raised an amount of private capital equal to or greater than the amount of the SBA grant. The total of SBA grants made to one company may not exceed more than \$100 million. A participating investment company must make all of its investments in small businesses, and at least 50 percent of an investment company's investments must be made in early-stage small businesses in targeted industries.

In exchange for SBA participation in the venture, participating investment funds must convey a grant interest to the SBA that carries the same rights and attributes of other investors, but does not denote control or voting rights to the project in order to maintain a limited partner interest in a limited partnership or limited liability company. As a condition of receiving a grant, manager profits interest payable to the managers of a participating investment company under the program shall not exceed 20 percent of profits.

- ***Conservative Concern:*** Some conservatives have expressed concern that this program is similar to an unsuccessful one that expired in 2006. The Participating Securities (PS) program was an early stage equity investment program where the SBA would provide funding to use as a stake to invest in companies similar to the role as a venture capitalist. However, the Small Businesses Committee estimated that the government lost \$2.7 billion in the PS program because the participants were too heavily invested in high-tech companies such as telecom and Internet firms. In part due to these losses, former Chairman Manzullo (R-IL) decided to let the program sunset in 2006.

Committee Action: On October 7, 2009, the bill was introduced and referred to the Committee on Small Business. On October 8, 2009, the Subcommittee on Finance and Tax held a mark-up and the bill was referred to the full committee by voice vote. On October 21, 2009, the bill was incorporated into H.R. 3854.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: The Administrator will establish a revolving fund for the purposes of the program, subject to annual appropriations, and H.R. 3854 authorizes \$250 million to be appropriated to carry out the initial grants issued by the program. A CBO cost estimate report is unavailable.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes, the legislation creates a new program under the Small Business Administration.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee report citing compliance with rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. Such a report is technically not required because the bill is being considered under suspension of the rules.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Bruce F. Miller, bruce.miller@mail.house.gov, (202)-226-9720.

H.R. 3014 - Small Business Health Information Technology Financing Act (*Rep. Dahlkemper, D-PA*)

Order of Business: The bill is scheduled to be considered on Wednesday, November 18, 2009, under a motion to suspend the rules and pass the bill.

Summary: This legislation was considered as Title VI of H.R. 3854, which passed the House on October 29, 2009, by a vote of [389 – 32](#). The bill creates a new loan guarantee program separate from other SBA programs to make loan guarantees to small-business health professionals to purchase or install health information technology. The HIT Loan Program will rely on private-sector lenders to provide loans that are guaranteed by the SBA. The provision authorizes the SBA to make loan guarantees of up to 90 percent of the cost for eligible professionals up to \$350,000 for any single individual/professionals and \$2,000,000 for any group, and authorizes \$10 billion in loan authority for this provision.

Committee Action: On June 24, 2009, the bill was introduced and referred to the Committee on Small Business. On October 8, 2009, the Subcommittee on Finance and Tax held a mark-up and the bill was referred to the full committee by voice vote. On October 21, 2009, the bill was incorporated into H.R. 3854.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: A CBO cost estimate report is unavailable.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes, the legislation expands the authority and upon several programs under the Small Business Administration.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee report citing compliance with rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. Such a report is technically not required because the bill is being considered under suspension of the rules.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

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**H.Res. 890 - Welcoming the Prime Minister of the Republic of India,
His Excellency Dr. Manmohan Singh, to the United States
(McDermott, D-WA)**

Order of Business: The resolution is scheduled to be considered on Wednesday, November 18, 2009, under a motion to suspend the rules and pass the resolution.

Summary: H.Res. 890 resolves that the House of Representatives:

- “Commends the maturing of the relationship between the United States and the Republic of India, exemplified by the current official visit of the Prime Minister of India, His Excellency Dr. Manmohan Singh;
- “Looks forward to continuing progress in the relationship between the United States and India; and
- “Welcomes Prime Minister Singh to the United States.”

The resolution lists a number of findings, including:

- “The Republic of India achieved its independence from the British Empire on August 15, 1947, and has since maintained a democratic system of government;
- “The Prime Minister of India, His Excellency Dr. Manmohan Singh, has helped shape India's economic policies to permit the expansion of a market economy, which has led to greater economic prosperity for India and the growth of a middle class;
- “Americans of Indian origin have made diverse and numerous contributions to the United States; and
- “Prime Minister Singh has accepted an invitation by the United States to make an official visit to Washington, DC, and is the honoree of President Barack Obama's first State Dinner.”

Committee Action: H.Res. 890 was introduced on November 4, 2009, and referred to the House Committee on Foreign Affairs, which took no public action.

Cost to Taxpayers: The resolution authorizes no expenditures.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee report citing compliance with the rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. However, the resolution does not contain any earmarks.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

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H.Con.Res. 212 - Expressing the sense of Congress on the occasion of the 20th anniversary of historic events in Central and Eastern Europe, particularly the Velvet Revolution in Czechoslovakia, and reaffirming the bonds of friendship and cooperation between the United States and the Slovak and Czech Republics (Mica, R-FL)

Order of Business: The resolution is scheduled to be considered on Wednesday, November 18, 2009, under a motion to suspend the rules and pass the resolution.

Summary: H.Con.Res. 212 resolves that the House of Representatives:

- “Recognizes the 20th anniversary of the historic events in Central and Eastern Europe that brought about the collapse of the communist regimes and the fall of the Iron Curtain;
- “Commemorates, with the Slovak and Czech Republics, the 20th anniversary of the Velvet Revolution in Czechoslovakia, which underscores the significance and value of reclaimed freedom and the dignity of individual citizens;
- “Commends the peoples of the Slovak and Czech Republics for their remarkable achievements over the past 20 years in building free, democratic, and prosperous societies;
- “Appreciates the contribution of the Slovak and Czech Republics as members of the North Atlantic Treaty Organization and the European Union to the promotion

- and defense of common values of freedom, democracy, and liberty around the world;
- “Reaffirms the bonds of friendship and close cooperation that have existed between the United States and the Slovak and Czech Republics; and
 - “Extends the warmest congratulations and best wishes to the people of the Slovak Republic and the peoples of the Czech Republic for a peaceful, prosperous, and successful future.”

The resolution lists a number of findings, including:

- “On October 28, 1918, the peoples of Slovakia, comprising the present Slovak Republic, and the peoples of Bohemia, Moravia, and part of Silesia, comprising the present Czech Republic, proclaimed their independence in a common state of the Czechoslovak Republic;
- “The Communists seized power from the democratically elected Government of Czechoslovakia in March 1948;
- “On November 17, 1989, the brutal break up of a student demonstration commemorating the 50th anniversary of the execution of Czech student leaders and the closure of universities by the Nazis triggered the explosion of mass discontent that launched the Velvet Revolution, which was characterized by reliance on nonviolence and open public discourse;
- “Since November 17, 1989, the people of the Slovak and Czech Republics have established a vibrant, pluralistic, democratic political system based upon freedom of speech, a free press, free and fair open elections, the rule of law, and other democratic principles and practices; and
- “The people of the United States have an affinity with the peoples of the Slovak and Czech Republics and regard the Slovak and Czech Republics as trusted and important partners.”

Committee Action: H.Con.Res. 212 was introduced on November 7, 2009, and referred to the House Foreign Affairs Committee, which took no public action.

Cost to Taxpayers: The resolution authorizes no expenditures.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee reporting citing compliance with the rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. However, the resolution does not contain any earmarks.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

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