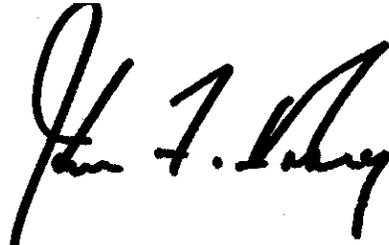


PASSAGE OF H.R. 5008 TO EXTEND SMALL BUSINESS
ADMINISTRATION PROGRAMS THROUGH SEPTEMBER 30, 2004



Mr. KERRY. Mr. President, today I join Chair Snowe in supporting legislation to keep the Small Business Administration and its financing and counseling assistance available to small businesses. This bill temporarily authorizes the SBA and most of its programs through September 30, 2004. In addition to the temporary extension, this bill includes a provision necessary to bring the administration into compliance with a January 2003 recommendation by the SBA's Inspector General. This change will save the SBA hundreds of thousands of dollars by allowing the agency's fiscal and transfer agent for the 7(a) loan program's secondary market program to keep the interest earned on fees lenders pay before they are remitted to the government. Currently, the SBA does not have that authority. The committee wants the program to continue running smoothly and successfully, and we think this change should accomplish this.

Mr. President, six SBA programs were halted after S.2700 -- a similar bill sponsored by Senate Small Business and Entrepreneurship Committee Chair Olympia Snowe and myself-- passed the Senate on July 20 but did not pass the House prior to the August recess. The six programs reinstated by H.R. 5008 are: the Women's Business Center Sustainability program, the Small Disadvantaged Business (SDB) program, the Preferred Surety Bond (PSB) Guarantee program, the Small Business Development Center (SBDC) Drug-Free Workplace Assistance Grants program, the Very Small Business Concerns program, and the SBA's co-sponsorship authority.

With passage of this bill, the Committee expects the SBA to move forward on grants for all its programs and certification for minority businesses, and any other activities it has been delaying.

And while I am pleased that this bill will extend all of SBA's programs and pilot programs, I am disappointed that the dire and urgent needs of the Women's Business Center program have yet to be fully addressed. Given the abysmal job creation record of this Administration, we must aggressively seek and support innovative ways to create jobs, and the Women's Business Center program has a proven track record of doing just that. Last year alone, the Women's Business Center network helped over 100,000 female entrepreneurs grow their businesses, employ more people, and expand economic opportunity.

A study recently released by the National Women's Business Council shows that over the past two years, while funding for the Women's Business Center program has remained essentially flat, the number of clients served increased by 91 percent and the number of new businesses started went up 376 percent. The study also found that the businesses counseled by women's business centers had an economic impact of \$500 million in gross receipts (\$51.4 million in profit) and created 12,719 new jobs. With these numbers, it is clear that the Women's Business Center program is a wise investment that will continue to pay dividends to women in business, the government and our national economy well into the future.

As many of my colleagues know, there are currently 87 Women's Business Centers. Of these, 35 are in the initial grant program and 53 have graduated to the sustainability part of the program. These sustainability centers make up more than half of the total Women's Business Centers, but under the current funding formula are only allotted 30 percent of the funds. Without changing the portion reserved for sustainability centers to

48 percent -- as the Senate-passed Snowe-Kerry bill (S. 2267) directs -- all grants to sustainability centers could be cut in half, or worse, more than 20 experienced centers could lose funding completely.

Mr. President, I believe it is very important to pass H.R. 5008 and extend the pilot so that our most experienced centers can to continue their good work for women-owned businesses; however, the current funding formula for the Women's Business Center still needs to be updated. As the author of the bill to establish the Sustainability program, I am hopeful that my colleagues in Congress will soon come together to fix this problem and secure the Women's Business Center network once and for all.

I thank my colleagues for their support of small businesses and for considering immediate passage of this important small business bill.