

assurance that their civilian employment would be available to them following their military service.

Mr. Speaker, as a result of the Supreme Court decision in 1996, members of the Guard and Reserves who are State employees were no longer to have that job protection provided for all other members of the uniformed services. The enactment of H.R. 3213 will restore this very important protection. I urge all my colleagues to support this legislation.

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. QUINN), the chairman of the Subcommittee on Benefits.

Mr. QUINN. Mr. Speaker, I appreciate the gentleman yielding me this time to sort of speak a little bit out of turn, not on the topic of this bill but there is another bill that we were going to discuss today and we have not included it. That is H.R. 3039, the bill we call the Veterans Transitional Housing bill. We are not dealing with it today and will not until later this year because the Committee on the Budget has asked for more time to review the bill, which makes sense to me.

Mr. Speaker, we said in both the hearing which we held here in Washington and in a hearing held in Buffalo, New York late last year that a lot of Americans, indeed a lot of veterans are not aware that of all the homeless people in this country, fully one-third of them are veterans, people who have served their country at various points in our history and in their past. As we try to do whatever we can to bring services together to deal with this homelessness, particularly as it deals with veterans, there are a number of other Members here and certainly those on the committee who are concerned that this transitional housing bill, H.R. 3039, does come up later this year, possibly in May or June. I want to make certain the Committee on the Budget knows we will be working with them in every way possible to bring the bill up later this year.

Mr. EVANS. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. RODRIGUEZ), a very able member of our committee.

Mr. RODRIGUEZ. Mr. Speaker, I rise in strong support of this bill which would advance the protections of the landmark Uniformed Services Employment and Reemployment Rights Act. Since 1940, USERRA has been the source of employment protection and remedies for veterans and reservists against all employers, government and private. Veterans and members of the armed services have had to fight for some of these rights in the courts. This bill addresses the problems which employees have faced against individual State employers and U.S. employers which control a foreign entity. I wish to focus on the provisions of H.R. 3213, which would expand veterans and uniformed service employment rights to employees in a foreign country working for an entity controlled by a U.S. company. Let me give my colleagues an example. We have individuals in the

maquiladoras right across the border in Mexico. If they are called into the service of this country, we want to make sure that those individuals will be able to keep their jobs when they return. This bill provides that if a U.S. employer controls that overseas entity where the reservist works, then any denial of employment, reemployment or benefits by that foreign entity will be actionable against the U.S. employer. Foreign countries should not worry about this law imposing on their sovereignty, since the bill specifically does not apply when employer compliance would violate the law of the foreign country in which the workplace is located.

Mr. Speaker, I also would add that every effort needs to be made to assure that these individuals that have given of themselves and that are called to defend this country and called to serve this country, to make sure when they get back that that particular job is there waiting for them. I welcome this legislation and commend the House for its swift passage. I want to thank both the chairman and the ranking member of the committee for their work on this measure.

Mr. EVANS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume. Once again I would like to thank the gentleman from New York (Mr. QUINN) and the gentleman from California (Mr. FILNER), chairman and ranking member of the Subcommittee on Benefits as well as the gentleman from Illinois (Mr. EVANS), the ranking Democrat on the full committee for all their contributions to this bill. Once again this is a bipartisan bill. I urge all Members to support it.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 3213, a bill to clarify the enforcement of veteran's employment rights. This legislation clarifies the enforcement of veteran's employment rights in regards to state employers and extends these rights to veterans employed overseas by American companies.

More specifically, this bill makes certain procedural changes to the enforcement of the Uniformed Services Employment and Reemployment Rights Act (USERRA) in response to a 1996 Supreme Court decision which held that the 11th amendment precluded congressionally authorized suits by private parties against nonconsenting states.

In response to this decision, this bill substitutes the United States for an individual veteran as the plaintiff in enforcement actions in cases where the attorney general believes that a state has not complied with USERRA law.

Furthermore, this bill applies USERRA law to U.S. employers in foreign countries. It does allow an exception when employer compliance would violate the law of the country where the workplace is located. It also requires direct payment of any claim compensation which is considered lost wages, benefits, or liquidated damages and clarifies that the merit systems protection board has jurisdiction to hear complaints brought by federal employees without regard to when the complaint was filed.

Mr. Speaker, one of the most important benefits to those who serve in our nation's military

is veterans preference in future employment once they have left the armed forces. This legislation helps make this benefit more available to our veterans, who have earned it through their service to their country.

I urge my colleagues to join in supporting this worthwhile measure.

Mr. STUMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FOLEY). The question is on the motion offered by the gentleman from Arizona (Mr. STUMP) that the House suspend the rules and pass the bill, H.R. 3213, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SMALL BUSINESS INVESTMENT COMPANY TECHNICAL CORRECTIONS ACT OF 1998

Mr. TALENT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3412) to amend and make technical corrections in title III of the Small Business Investment Act, as amended.

The Clerk read as follows:

H.R. 3412

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 "Small Business Investment Company Technical Corrections Act of 1998".

SEC. 2. TECHNICAL CORRECTIONS.

Title III of the Small Business Investment Act of 1958 (15 U.S.C. 661) is amended—

(1) in section 303(g) (15 U.S.C. 683(g)), by striking subparagraph (13);

(2) in section 308 (15 U.S.C. 687) by adding at the end the following:

"(j) For the purposes of sections 304 and 305, in a case in which an incorporated or unincorporated business is not required by law to pay Federal income taxes at the enterprise level but is required to pass income through to its shareholders or partners, an eligible small business or smaller enterprise may be determined by computing the after-tax income of such business by deducting from the net income an amount equal to the net income multiplied by the combined marginal Federal and State income tax rate for corporations."; and

(3) in section 320 (15 U.S.C. 687m), by striking "6" and inserting "12".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. TALENT) and the gentleman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri (Mr. TALENT).

Mr. TALENT. Mr. Speaker, I yield myself such time as I may consume. Let me start by thanking the gentleman from New York (Ms. VELÁZQUEZ), the ranking member of the Committee on Small Business. I appreciate

her assistance in moving the bill and her help in fashioning it.

Mr. Speaker, I will not take too long. This is a technical corrections bill. While it is important work, there is no reason to spend a great deal of time on it. The purpose of H.R. 3412 is to make certain technical amendments to title III of the Small Business Investment Act of 1958. Title III authorizes the Small Business Investment Company program. The small business investment companies are venture capital firms licensed by the Small Business Administration that use SBA guarantees to leverage private capital for investment in small businesses. The technical corrections proposed by H.R. 3412, as amended, will improve the flexibility of the SBIC program and allow increased access to this program by small businesses.

Congress revamped the SBIC program during the 103rd Congress to provide for a new form of leverage geared specifically toward equity investment in small businesses. Over the past few years as the new program has become established, certain deficiencies have come to light. In addition, certain statutory provisions have become obsolete. Moreover, the nature of the SBIC industry has changed. The result is a participating securities program that is made up primarily of smaller SBICs. The fact that these smaller SBICs are dominating the program points to shifting dynamics in the SBIC program. Smaller, start-up investments are more typical, and therefore the demand for SBA leverage has shifted to smaller individual placements.

H.R. 3412 seeks to correct these deficiencies and remove provisions that may produce confusion due to changes in law and the character of the SBIC program. Under H.R. 3412, a provision in the Small Business Investment Act that reserves leverage for smaller SBICs will be repealed. Changes in SBA policy regarding applications for leverage, statutory changes in the availability of commitments for SBICs and the makeup of the industry present the possibility that that provision may, unless repealed, create conflicts and confusion.

H.R. 3412 also modifies the test for determining the eligibility of small businesses for SBIC financing. Current statutory language does not account for small businesses organized in pass-through tax structures such as S corporations, limited liability companies, and certain partnerships. These small businesses do not pay taxes at the enterprise level, but instead pass through income and the ensuing tax liabilities to their partners and shareholders. Consequently, many of these small businesses face difficulties when the income test is applied to them, and are often declared ineligible for financing they should receive.

Finally, H.R. 3412 will allow the SBA greater flexibility in issuing trust certificates to finance the SBIC program's investments in small businesses. Cur-

rent law allows funding pools to be issued every 6 months or more frequently. This inhibits the ability of the SBICs and the SBA to form pools of certificates that are large enough to generate serious investor interest. Allowing more time between fundings will permit SBA and the industry to form larger pools for sale in the market, thereby increasing investor interest and improving the interest rates for the small businesses financed.

Mr. Speaker, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 3412. I would like to thank the distinguished chairman of the Committee on Small Business for bringing this legislation to the floor. I urge my colleagues to support this bill, which makes corrections to the Small Business Investment Act and the Small Business Investment Company Program.

There is no question that the value of small business investment companies has been felt across this Nation. SBICs have invested nearly \$15 billion in long-term debt and equity capital to over 90,000 small businesses. Over the years, SBICs have given companies like Intel Corporation, Federal Express and America Online the push they needed to succeed. The result has been the creation of millions of jobs and billions of dollars in tax revenue. The bill before us today expands on that legacy by taking a good program and making it better.

The passage of H.R. 3412 will make the SBIC program even more efficient and responsive to the needs of small entrepreneurs. The changes made by this legislation will serve a number of important purposes. By giving the SBIC program greater flexibility in issuing investment guarantees, small businesses will be assured lower interest rates.

Second, H.R. 3412 clarifies SBA's role in ensuring equitable distribution and management of its participating securities to SBICs of all sizes. Finally, the bill confirms that small businesses, regardless of their chosen business form, are eligible for SBIC financing.

These changes are part of an ongoing process that will enable us to provide creative financing to more small businesses more efficiently. Last year alone SBICs invested over \$2.4 billion in over 2,500 small businesses. This bill will allow us to expand the scope of the SBIC program even further, allowing us to create more jobs and provide even greater economic opportunity to our Nation's small entrepreneurs.

I am pleased to join the distinguished chairman in support of the proposed corrections, and I am happy to be a co-sponsor of this legislation. I urge my colleagues to join me in supporting H.R. 3412.

Mr. Speaker, I yield back the balance of my time.

Mr. TALENT. Mr. Speaker, I yield myself such time as I may consume. This bill will have a real impact on the businesses in this country seeking start-up financing. At the end of the day, that is the most important part of our job. Let me again thank the gentlewoman from New York (Ms. VELÁZQUEZ) and her staff, Michael Day and Salomon Torres, for their assistance in moving this measure before us. Let me also extend my appreciation to my staff, particularly Emily Murphy, Harry Katrichis and Tee Rowe. Mr. Speaker, I urge my colleagues to support H.R. 3412.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. TALENT) that the House suspend the rules and pass the bill, H.R. 3412, as amended.

The question was taken.

Mr. TALENT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

CONVEYANCE OF CERTAIN LANDS AND IMPROVEMENTS IN VIRGINIA

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3226) to authorize the Secretary of Agriculture to convey certain lands and improvements in the State of Virginia, and for other purposes.

The Clerk read as follows:

H.R. 3226

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PURPOSE.

The purpose of this Act is to authorize the Secretary of Agriculture (referred to in this Act as the "Secretary") to sell or exchange all or part of certain administrative sites and other lands in the George Washington National Forest and the Jefferson National Forest, and to use the value derived therefrom to acquire a replacement site and to construct on the site suitable improvements for national forest administrative purposes.

SEC. 2. SALE OR EXCHANGE OF LAND.

(a) IN GENERAL.—The Secretary may, under such terms and conditions as the Secretary may prescribe, sell or exchange any or all right, title, and interest of the United States in and to the approximately 368 acres contained in the following tracts of land situated in the State of Virginia:

(1) Tract J-1665 (approximately 101 acres), as shown on the map titled "Natural Bridge Juvenile Corrections Center, February 4, 1998".

(2) Tract G-1312a (approximately 214 acres), Tract G-1312b (approximately 2 acres), and Tract G1312a-I (approximately 10 acres), as shown on the plat titled "George Washington National Forest, Alleghany Construction Company, (1312a,-I,b), Alleghany County, Virginia, June 1936".

(3) Tract G-1709 (approximately 23 acres), as shown on the plat titled "James C. Doyle, Alleghany County, Virginia, April 13, 1993".

(4) Tract G-1360 (consisting of Lots 31 and 32; approximately .29 acres), Tract G-1361