

air navigation and to foster the planning and development of international air transport so as to . . . meet the needs of the peoples of the world for safe, regular, efficient and economical air transport”;

Whereas, following the terrorist attacks of September 11, 2001, the ICAO convened a high-level Ministerial Conference on Aviation Security that endorsed a global strategy for strengthening aviation security worldwide and issued a public declaration that “a uniform approach in a global system is essential to ensure aviation security throughout the world and that deficiencies in any part of the system constitute a threat to the entire global system,” and that there should be a commitment to “foster international cooperation in the field of aviation security and harmonize the implementation of security measures”;

Whereas, the 37th ICAO Assembly in October 2010 adopted a Declaration on Aviation Security largely in response to the attempted sabotage of Northwest Airlines Flight 253 on December 25, 2009, which established new criminal penalties for the use of civil aircraft as a weapon, the use of dangerous materials to attack aircraft or other targets on the ground, and the unlawful transport of biological, chemical, and nuclear weapons and related materials, along with extradition arrangements that facilitate cooperation among nations in apprehending and prosecuting those who have undertaken these and other criminal acts;

Whereas, on October 8, 2010, the Department of State praised the 37th ICAO Assembly on its adoption of the Declaration on Aviation Security, but noted that “because every airport offers a potential entry point into this global system, every nation faces the threat from gaps in aviation security throughout the world—and all nations must share the responsibility for securing that system”;

Whereas the Taipei Flight Information Region, under the jurisdiction of Taiwan, ROC, covers an airspace of 176,000 square nautical miles and provides air traffic control services to over 1,350,000 flights annually, with the Taiwan Taoyuan International Airport recognized as the 8th and 18th largest airport by international cargo volume and number of international passengers, respectively;

Whereas exclusion from the ICAO since 1971 has impeded the efforts of the Government of Taiwan to maintain civil aviation practices that comport with evolving international standards, due to its inability to contact the ICAO for up-to-date information on aviation standards and norms, secure amendments to the organization’s regulations in a timely manner, obtain sufficient and timely information needed to prepare for the implementation of new systems and procedures set forth by the ICAO, receive technical assistance in implementing new regulations, and participate in technical and academic seminars hosted by the ICAO;

Whereas the United States, in the 1994 Taiwan Policy Review, clearly declared its support for the participation of Taiwan in appropriate international organizations, in particular, on September 27, 1994, with the announcement by the Assistant Secretary of State for East Asian and Pacific Affairs that, pursuant to the Review and recognizing Taiwan’s important role in transnational issues, the United States “will support its membership in organizations where statehood is not a prerequisite, and [the United States] will support opportunities for Taiwan’s voice to be heard in organizations where its membership is not possible”;

Whereas ICAO rules and existing practices have allowed for the meaningful participation of noncontracting countries as well as other bodies in its meetings and activities

through granting of observer status: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) meaningful participation by the Government of Taiwan as an observer in the meetings and activities of the International Civil Aviation Organization (ICAO) will contribute both to the fulfillment of the ICAO’s overarching mission and to the success of a global strategy to address aviation security threats based on effective international cooperation;

(2) the United States Government should take a leading role in garnering international support for the granting of observer status to Taiwan in the ICAO for the purpose of such participation; and

(3) the Department of State should provide briefings to or consult with Congress on any efforts conducted by the United States Government in support of Taiwan’s attainment of observer status in the ICAO.

SMALL BUSINESS CONTRACTING FRAUD PREVENTION ACT OF 2011

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Small Business be discharged from further consideration of S. 633 and the Senate proceed to its consideration.

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

The clerk will report the bill by title. The legislative clerk read as follows:

A bill (S. 633) to prevent fraud in small business contracting, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mrs. MURRAY. Mr. President, I rise today to address the Department of Veterans Affairs’ role in S. 633, the Small Business Contracting Fraud Prevention Act of 2011.

As introduced, S. 633 contains a provision that would require the Department of Veterans Affairs, through its Center for Veterans Enterprise, to verify the status of any small business seeking to be registered as a veteran-owned or service-disabled veteran-owned small business. S. 633 would also require the head of each Federal agency to confirm the status of any service-disabled veteran-owned small business before permitting that business to compete for Federal sole-source or set-aside contracts.

I agree that governmentwide verification of veteran-owned and service-disabled veteran-owned small business status is an important step towards fraud prevention. But we must ensure that enactment of S. 633 does not add to the backlog of veterans currently awaiting verification of their small businesses, and that veterans’ businesses are not unfairly delayed in their ability to compete for contracts.

I am pleased that Senators LANDRIEU and SNOWE have agreed to my amendment to S. 633. Under my amendment, the verification provisions in S. 633 would not take effect until the Department of Veterans Affairs first certifies it possesses the necessary resources and capacity to undertake the new requirements imposed by S. 633. This

means that the Department gets to set the timeline for implementing the provisions so that implementation is done right.

Mr. REID. Mr. President, I ask unanimous consent that the Murray amendment at the desk be agreed to, the bill, as amended, be read a third time and passed, the motions to reconsider be laid upon the table, and any statements relating to the measure be printed in the RECORD.

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

The amendment (No. 652) was agreed to, as follows:

(Purpose: To delay the effective date of the veterans contracting provisions)

On page 10, beginning on line 8, strike “Not later than 1 year after the date of enactment of this Act, the” and insert “The”.

On page 10, between lines 15 and 16, insert the following:

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (b) and the requirements under subsection (c) shall take effect on the date on which the Secretary of Veterans Affairs (referred to in this subsection as the “Secretary”) publishes in the Federal Register a determination that the Department of Veterans Affairs has the necessary resources and capacity to carry out the additional responsibility of determining whether small business concerns registered with the VetBiz database of the Department of Veterans Affairs are owned and controlled by a veteran or a service-disabled veteran, as the case may be, in accordance with subsection (g) of section 4 of the Small Business Act (15 U.S.C. 633), as added by subsection (b).

(2) TIMELINE.—If the Secretary determines that the Secretary is not able to publish the determination under paragraph (1) before the date that is 1 year after the date of enactment of this Act, the Secretary shall, not later than 1 year after the date of enactment of this Act, submit a report containing an estimate of the date on which the Secretary will publish the determination under paragraph (1) to the Committee on Small Business and Entrepreneurship and the Committee on Veterans’ Affairs of the Senate and the Committee on Small Business and the Committee on Veterans’ Affairs of the House of Representatives.

The bill (S. 633), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 633

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 Contracting Fraud Prevention Act of 2011”.

SEC. 2. DEFINITIONS.

In this Act—

(1) the term “8(a) program” means the program under section 8(a) of the Small Business Act (15 U.S.C. 637(a));

(2) the terms “Administration” and “Administrator” mean the Small Business Administration and the Administrator thereof, respectively;

(3) the terms “HUBZone” and “HUBZone small business concern” and “HUBZone map” have the meanings given those terms in section 3(p) of the Small Business Act (15 U.S.C. 632(p)), as amended by this Act; and

(4) the term “recertification” means a determination by the Administrator that a

business concern that was previously determined to be a qualified HUBZone small business concern is a qualified HUBZone small business concern under section 3(p)(5) of the Small Business Act (15 U.S.C. 632(p)(5)).

SEC. 3. FRAUD DETERRENCE AT THE SMALL BUSINESS ADMINISTRATION.

Section 16 of the Small Business Act (15 U.S.C. 645) is amended—

(1) in subsection (d)—
(A) in paragraph (1)—
(i) in the matter preceding subparagraph (A), by striking “Whoever” and all that follows through “oneself or another” and inserting the following: “A person shall be subject to the penalties and remedies described in paragraph (2) if the person misrepresents the status of any concern or person as a small business concern, a qualified HUBZone small business concern, a small business concern owned and controlled by socially and economically disadvantaged individuals, a small business concern owned and controlled by women, or a small business concern owned and controlled by service-disabled veterans, in order to obtain for any person”;

(ii) by amending subparagraph (A) to read as follows:

“(A) prime contract, subcontract, grant, or cooperative agreement to be awarded under subsection (a) or (m) of section 8, or section 9, 15, 31, or 36;”;

(iii) by striking subparagraph (B);
(iv) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(v) in subparagraph (C), as so redesignated, by striking “, shall be” and all that follows and inserting a period;

(B) in paragraph (2)—
(i) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(ii) by inserting after subparagraph (B) the following:

“(C) be subject to the civil remedies under subchapter III of chapter 37 of title 31, United States Code (commonly known as the ‘False Claims Act’);”;

(C) by adding at the end the following:

“(3)(A) In the case of a violation of paragraph (1)(A), (g), or (h), for purposes of a proceeding described in subparagraph (A) or (C) of paragraph (2), the amount of the loss to the Federal Government or the damages sustained by the Federal Government, as applicable, shall be an amount equal to the amount that the Federal Government paid to the person that received a contract, grant, or cooperative agreement described in paragraph (1)(A), (g), or (h), respectively.

“(B) In the case of a violation of subparagraph (B) or (C) of paragraph (1), for the purpose of a proceeding described in subparagraph (A) or (C) of paragraph (2), the amount of the loss to the Federal Government or the damages sustained by the Federal Government, as applicable, shall be an amount equal to the portion of any payment by the Federal Government under a prime contract that was used for a subcontract described in subparagraph (B) or (C) of paragraph (1), respectively.

“(C) In a proceeding described in subparagraph (A) or (B), no credit shall be applied against any loss or damages to the Federal Government for the fair market value of the property or services provided to the Federal Government.”;

(2) by striking subsection (e) and inserting the following:

“(e) Any representation of the status of any concern or person as a small business concern, a HUBZone small business concern, a small business concern owned and controlled by socially and economically disadvantaged individuals, a small business concern owned and controlled by women, or

a small business concern owned and controlled by service-disabled veterans, in order to obtain any prime contract, subcontract, grant, or cooperative agreement described in subsection (d)(1) shall be made in writing or through the Online Representations and Certifications Application process required under section 4.1201 of the Federal Acquisition Regulation, or any successor thereto.”; and

(3) by adding at the end the following:

“(g) A person shall be subject to the penalties and remedies described in subsection (d)(2) if the person misrepresents the status of any concern or person as a small business concern, a qualified HUBZone small business concern, a small business concern owned and controlled by socially and economically disadvantaged individuals, a small business concern owned and controlled by women, or a small business concern owned and controlled by service-disabled veterans—

“(1) in order to allow any person to participate in any program of the Administration; or

“(2) in relation to a protest of a contract award or proposed contract award made under regulations issued by the Administration.

“(h)(1) A person that submits a request for payment on a contract or subcontract that is awarded under subsection (a) or (m) of section 8, or section 9, 15, 31, or 36, shall be deemed to have submitted a certification that the person complied with regulations issued by the Administration governing the percentage of work that the person is required to perform on the contract or subcontract, unless the person states, in writing, that the person did not comply with the regulations.

“(2) A person shall be subject to the penalties and remedies described in subsection (d)(2) if the person—

“(A) uses the services of a business other than the business awarded the contract or subcontract to perform a greater percentage of work under a contract than is permitted by regulations issued by the Administration; or

“(B) willfully participates in a scheme to circumvent regulations issued by the Administration governing the percentage of work that a contractor is required to perform on a contract.”.

SEC. 4. VETERANS INTEGRITY IN CONTRACTING.

(a) DEFINITION.—Section 3(q)(1) of the Small Business Act (15 U.S.C. 632(q)(1)) is amended by striking “means a veteran” and all that follows and inserting the following: “means—

“(A) a veteran with a service-connected disability rated by the Secretary of Veterans Affairs as zero percent or more disabling; or

“(B) a former member of the Armed Forces who is retired, separated, or placed on the temporary disability retired list for physical disability under chapter 61 of title 10, United States Code.”.

(b) VETERANS CONTRACTING.—Section 4 of the Small Business Act (15 U.S.C. 633) is amended by adding at the end the following:

“(g) VETERAN STATUS.—

“(1) IN GENERAL.—A business concern seeking status as a small business concern owned and controlled by service-disabled veterans shall—

“(A) submit an annual certification indicating that the business concern is a small business concern owned and controlled by service-disabled veterans by means of the Online Representations and Certifications Application process required under section 4.1201 of the Federal Acquisition Regulation, or any successor thereto; and

“(B) register with—

“(i) the Central Contractor Registration database maintained under subpart 4.11 of

the Federal Acquisition Regulation, or any successor thereto; and

“(ii) the VetBiz database of the Department of Veterans Affairs, or any successor thereto.

“(2) VERIFICATION OF STATUS.—

“(A) VETERANS AFFAIRS.—The Secretary of Veterans Affairs shall determine whether a business concern registered with the VetBiz database of the Department of Veterans Affairs, or any successor thereto, as a small business concern owned and controlled by veterans or a small business concern owned and controlled by service-disabled veterans is owned and controlled by a veteran or a service-disabled veteran, as the case may be.

“(B) FEDERAL AGENCIES GENERALLY.—The head of each Federal agency shall—

“(i) for a sole source contract awarded to a small business concern owned and controlled by service-disabled veterans or a contract awarded with competition restricted to small business concerns owned and controlled by service-disabled veterans under section 36, determine whether a business concern submitting a proposal for the contract is a small business concern owned and controlled by service-disabled veterans; and

“(ii) use the VetBiz database of the Department of Veterans Affairs, or any successor thereto, in determining whether a business concern is a small business concern owned and controlled by service-disabled veterans.

“(3) DEBARMENT AND SUSPENSION.—If the Administrator determines that a business concern knowingly and willfully misrepresented that the business concern is a small business concern owned and controlled by service-disabled veterans, the Administrator may debar or suspend the business concern from contracting with the United States.”.

(c) INTEGRATION OF DATABASES.—The Administrator for Federal Procurement Policy and the Secretary of Veterans Affairs shall ensure that data is shared on an ongoing basis between the VetBiz database of the Department of Veterans Affairs and the Central Contractor Registration database maintained under subpart 4.11 of the Federal Acquisition Regulation.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (b) and the requirements under subsection (c) shall take effect on the date on which the Secretary of Veterans Affairs (referred to in this subsection as the “Secretary”) publishes in the Federal Register a determination that the Department of Veterans Affairs has the necessary resources and capacity to carry out the additional responsibility of determining whether small business concerns registered with the VetBiz database of the Department of Veterans Affairs are owned and controlled by a veteran or a service-disabled veteran, as the case may be, in accordance with subsection (g) of section 4 of the Small Business Act (15 U.S.C. 633), as added by subsection (b).

(2) TIMELINE.—If the Secretary determines that the Secretary is not able to publish the determination under paragraph (1) before the date that is 1 year after the date of enactment of this Act, the Secretary shall, not later than 1 year after the date of enactment of this Act, submit a report containing an estimate of the date on which the Secretary will publish the determination under paragraph (1) to the Committee on Small Business and Entrepreneurship and the Committee on Veterans’ Affairs of the Senate and the Committee on Small Business and the Committee on Veterans’ Affairs of the House of Representatives.

SEC. 5. SECTION 8(a) PROGRAM IMPROVEMENTS.

(a) REVIEW OF EFFECTIVENESS.—Section 8(a) of the Small Business Act (15 U.S.C. 637(a)) is amended by adding at the end the following:

“(22) Not later than 3 years after the date of enactment of this paragraph, and every 3 years thereafter, the Comptroller General of the United States shall—

“(A) 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

“(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 regarding each evaluation under subparagraph (A).”.

(b) OTHER IMPROVEMENTS.—In order to improve the 8(a) program, the Administrator shall—

(1) not later than 90 days after the date of enactment of this Act, begin to—

(A) evaluate the feasibility of—

(i) using additional third-party data sources;

(ii) making unannounced visits of sites that are selected randomly or using risk-based criteria;

(iii) using fraud detection tools, including data-mining techniques; and

(iv) conducting financial and analytical training for the business opportunity specialists of the Administration;

(B) evaluate the feasibility and advisability of amending regulations applicable the 8(a) program to require that calculations of the adjusted net worth or total assets of an individual include assets held by the spouse of the individual; and

(C) develop a more consistent enforcement strategy that includes the suspension or debarment of contractors that knowingly make misrepresentations in order to qualify for the 8(a) program; and

(2) not later than 1 year after the date on which the Comptroller General submits the report under section 8(a)(22)(B) of the Small Business Act, as added by subsection (c), issue, in final form, proposed regulations of the Administration that—

(A) determine the economic disadvantage of a participant in the 8(a) program based on the income and asset levels of the participant at the time of application and annual recertification for the 8(a) program; and

(B) limit the ability of a small business concern to participate in the 8(a) program if an immediate family member of an owner of the small business concern is, or has been, a participant in the 8(a) program, in the same industry.

SEC. 6. HUBZONE IMPROVEMENTS.

(a) PURPOSE.—The purpose of this section is to reform and improve the HUBZone program of the Administration.

(b) IN GENERAL.—The Administrator shall—

(1) ensure the HUBZone map is—

(A) accurate and up-to-date; and

(B) revised as new data is made available to maintain the accuracy and currency of the HUBZone map;

(2) implement policies for ensuring that only HUBZone small business concerns determined to be qualified under section 3(p)(5) of the Small Business Act (15 U.S.C. 632(p)(5))

are participating in the HUBZone program, including through the appropriate use of technology to control costs and maximize, among other benefits, uniformity, completeness, simplicity, and efficiency;

(3) 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 any application to be designated as a HUBZone small business concern or for recertification for which the Administrator has not made a determination as of the date that is 60 days after the date on which the application was submitted or initiated, which shall include a plan and timetable for ensuring the timely processing of the applications; and

(4) develop measures and implement plans to assess the effectiveness of the HUBZone program that—

(A) require the identification of a baseline point in time to allow the assessment of economic development under the HUBZone program, including creating additional jobs; and

(B) take into account—

(i) the economic characteristics of the HUBZone; and

(ii) contracts being counted under multiple socioeconomic subcategories.

(c) EMPLOYMENT PERCENTAGE.—Section 3(p) of the Small Business Act (15 U.S.C. 632(p)) is amended—

(1) in paragraph (5), by adding at the end the following:

“(E) EMPLOYMENT PERCENTAGE DURING INTERIM PERIOD.—

“(i) DEFINITION.—In this subparagraph, the term ‘interim period’ means the period beginning on the date on which the Administrator determines that a HUBZone small business concern is qualified under subparagraph (A) and ending on the day before the date on which a contract under the HUBZone program for which the HUBZone small business concern submits a bid is awarded.

“(ii) INTERIM PERIOD.—During the interim period, the Administrator may not determine that the HUBZone small business is not qualified under subparagraph (A) based on a failure to meet the applicable employment percentage under subparagraph (A)(i)(I), unless the HUBZone small business concern—

“(I) has not attempted to maintain the applicable employment percentage under subparagraph (A)(i)(I); or

“(II) does not meet the applicable employment percentage—

“(aa) on the date on which the HUBZone small business concern submits a bid for a contract under the HUBZone program; or

“(bb) on the date on which the HUBZone small business concern is awarded a contract under the HUBZone program.”; and

(2) by adding at the end the following:

“(8) HUBZONE PROGRAM.—The term ‘HUBZone program’ means the program established under section 31.

“(9) HUBZONE MAP.—The term ‘HUBZone map’ means the map used by the Administration to identify HUBZones.”.

(d) REDESIGNATED AREAS.—Section 3(p)(4)(C)(i) of the Small Business Act (15 U.S.C. 632(p)(4)(C)(i)) is amended to read as follows:

“(i) 3 years after the first date on which the Administrator publishes a HUBZone map that is based on the results from the 2010 decennial census; or”.

SEC. 7. ANNUAL REPORT ON SUSPENSION, DEBARMENT, AND PROSECUTION.

The 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) the number of debarments from participation in programs of the Administration

issued by the Administrator during the 1-year period preceding the date of the report, including—

(A) the number of debarments that were based on a conviction; and

(B) the number of debarments that were fact-based and did not involve a conviction;

(2) the number of suspensions from participation in programs of the Administration issued by the Administrator during the 1-year period preceding the date of the report, including—

(A) the number of suspensions issued that were based upon indictments; and

(B) the number of suspensions issued that were fact-based and did not involve an indictment;

(3) the number of suspension and debarments issued by the Administrator during the 1-year period preceding the date of the report that were based upon referrals from offices of the Administration, other than the Office of Inspector General;

(4) the number of suspension and debarments issued by the Administrator during the 1-year period preceding the date of the report based upon referrals from the Office of Inspector General; and

(5) the number of persons that the Administrator declined to debar or suspend after a referral described in paragraph (8), and the reason for each such decision.

ORDERS FOR THURSDAY, SEPTEMBER 22, 2011

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m., on Thursday, September 22; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, and the time for the two leaders be reserved for their use later in the day; that following any leader remarks, the Senate be in 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 Republicans controlling the first half and the majority controlling the final half.

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

PROGRAM

Mr. REID. Following morning business, the Senate will resume consideration of H.R. 2832. At a time to be determined tomorrow, there will be up to five votes on amendments to trade adjustment assistance and passage of the bill. In addition, we await action in the House on the continuing resolution.

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 7:13 p.m., adjourned until Thursday, September 22, 2011, at 9:30 a.m.