

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 2965) TO AMEND THE
SMALL BUSINESS ACT WITH RESPECT TO THE SMALL BUSINESS INNO-
VATION RESEARCH PROGRAM AND THE SMALL BUSINESS TECHNOLOGY
TRANSFER PROGRAM, AND FOR OTHER PURPOSES

JULY 7, 2009.—Referred to the House Calendar and ordered to be printed

Mr. POLIS, from the Committee on Rules,
submitted the following

R E P O R T

[To accompany H. Res. 610]

The Committee on Rules, having had under consideration House Resolution 610, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 2965, the Enhancing Small Business Research and Innovation Act of 2009, under a structured rule. The resolution provides one hour of general debate, with 40 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Small Business and 20 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Science and Technology. The resolution waives all points of order against consideration of the bill except clauses 9 and 10 of rule XXI. The resolution provides that the amendment in the nature of a substitute recommended by the Committee on Small Business now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read. The resolution waives all points of order against the amendment in the nature of a substitute except for clause 10 of rule XXI. This waiver does not affect the point of order available under clause 9 of rule XXI (regarding earmark disclosure).

The resolution makes in order only those amendments printed in this report. The amendments made in order may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division

of the question in the House or in the Committee of the Whole. The resolution provides that the proponent of any such amendment may modify its amendatory instructions. All points of order against the amendments except for clauses 9 and 10 of rule XXI are waived. The resolution provides that the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The resolution also provides that the Chair may entertain a motion that the Committee rise only if offered by the chair of the Committee on Small Business or her designee. The resolution provides that the Chair may not entertain a motion to strike out the enacting words of the bill (as described in clause 9 of rule XVIII). Finally, the resolution provides that during consideration of H.R. 2965, the Chair may reduce to two minutes the minimum time for electronic voting under clause 6 of rule XVIII and clauses 8 and 9 of rule XX.

EXPLANATION OF WAIVERS

The waiver of all points of order against consideration of the bill (except for clauses 9 and 10 of rule XXI) includes a waiver of clause 4(a) of rule XIII, requiring a three-day layover of the committee report and a waiver of clause 3(d)(2) of rule XIII requiring the inclusion of a cost estimate. Although the rule waives all points of order against the committee amendment in the nature of a substitute (except for clause 10 of rule XXI), the committee is not aware of any points of order against the substitute. The waiver is prophylactic.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 175

Date: July 7, 2009.

Measure: H.R. 2965.

Motion by: Mr. Dreier.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. King, Steve (IA), #33, which would prohibit ACORN and its affiliate organizations from participating in the new rural development and outreach program created in Sec. 301.

Results: Defeated 4–7.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Arcuri—Nay; Perlmutter—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea.

SUMMARY OF AMENDMENTS TO BE MADE IN ORDER

(Summaries derived from information provided by sponsors.)

1. Velázquez (NY) Would (1) authorize the Small Business Administration to establish a program to provide matching grants to minority serving educational institutions to develop programs that encourage minority participation in SBIR/STTR programs; (2) give

priority to applications from companies located in areas that have lost a major source of employment; (3) increase the maximum allowable award under Phase I of the SBIR program with respect to applications by veteran owned and controlled small businesses, increase the maximum allowable award under Phase II of the SBIR program with respect to applications by veteran owned and controlled small businesses, and permit small business concerns owned and controlled by veterans to bypass Phase I and apply directly for Phase II awards; (4) add language to require agencies to report specific reasons why those agency SBIR/STTR goals were or were not achieved; (5) provide special consideration in the awarding of SBIR funds to projects which address renewable energy technologies; (6) require that veterans be given priority when applying for SBIR and STTR awards; (7) require the Department of Agriculture and the Environmental Protection Agency to develop a SBIR solicitation that requests research proposals for improving the efficiency of water delivery systems and usage patterns in the U.S. and its territories; (8) expand outreach and support activities to Native American-owned small businesses; (9) prioritize SBIR outreach and support activities for areas with high unemployment, and give preference to SBIR and STTR award applications submitted by small businesses located in areas with high unemployment; and (10) make technical corrections to the legislation. (30 minutes)

2. Brown-Waite (FL) Would require GAO to examine and report to Congress on the effect that the venture capital ownership restrictions in Section 102 (venture capital operating companies investment in small businesses) have on eligibility and participation under this act. (10 minutes)

3. Kosmas (FL) Would require commercialization programs established by agencies with space shuttle related activities to include efforts to help small businesses affected by the termination of the space shuttle program commercialize technologies through SBIR. (10 minutes)

4. Reichert (WA)/Adam Smith (WA) Would give preference to organizations that are located in underrepresented states and regions, or are women-, service-disabled veterans- or minority-owned when awarding grants for Small Business Administration (SBA) outreach efforts authorized under Title III (rural development and outreach). (10 minutes)

5. Paulsen (MN) Would add medical technology to the list of topics that deserve special consideration as SBIR research topics. (10 minutes)

TEXT OF AMENDMENTS MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE VELÁZQUEZ OF NEW YORK, OR HER DESIGNEE, DEBATABLE FOR 30 MINUTES

Page 7, line 10, strike “section 3(c)(1)” and insert “subsection (a)(1) of section 3”.

Page 7, line 11, strike “80a-3(c)(1)” and insert “80a-3”.

Page 7, beginning line 13, strike “it is beneficially owned by less than 100 persons” and insert “of an exemption under subsection (c)(1) or subsection (c)(7) of such section”.

Add at the end of the bill the following:

SEC. 415. MINORITY INSTITUTION PROGRAM.

Section 9 of the Small Business Act (15 U.S.C. 638), as amended, is further amended by adding at the end the following:

“(nn) MINORITY INSTITUTION PROGRAM.—

“(1) ESTABLISHMENT.—From amounts made available to carry out this subsection, the Administrator shall establish and carry out a program to make grants to minority institutions that partner with nonprofit organizations that have experience developing relationships between industry, minority institutions, and other entities, for the purpose of increasing the number of SBIR and STTR program applications by minority-owned small businesses.

“(2) APPLICATION.—To be eligible to receive a grant under paragraph (1), a minority institution shall submit an application to the Administrator at such time, in such manner, and containing such information and assurances as the Administrator may require.

“(3) MATCHING REQUIREMENT.—As a condition of a grant under paragraph (1), the Administrator shall require that a minority institution provide a matching amount from a source other than the Federal Government that is equal to the amount of the grant.

“(4) MINORITY INSTITUTION DEFINED.—In this subsection, the term ‘minority institution’ has the meaning given that term in section 365(3) of the Higher Education Act of 1965 (20 U.S.C. 1067k(3)).

“(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$4,000,000 for each of fiscal years 2010 and 2011.”.

Add at the end of the bill the following:

SEC. 416. AREAS THAT HAVE LOST A MAJOR SOURCE OF EMPLOYMENT.

Section 9 of the Small Business Act (15 U.S.C. 638), as amended, is further amended by adding at the end the following:

“(oo) AREAS THAT HAVE LOST A MAJOR SOURCE OF EMPLOYMENT.—In making awards under this section, Federal agencies shall give priority to applications so as to increase the number of SBIR and STTR award recipients from geographic areas determined by the Administrator to have lost a major source of employment.”.

Add at the end of the bill the following:

SEC. 417. ENHANCING VETERAN PARTICIPATION IN SBIR.

Section 9 of the Small Business Act (15 U.S.C. 638), as amended, is further amended by adding at the end the following:

“(pp) ENHANCING VETERAN PARTICIPATION IN SBIR.—Notwithstanding any other provision of this section, a small business concern owned and controlled by veterans may—

“(1) receive an award in the amount of \$300,000 in the first phase of an SBIR program and in the amount of \$2,250,000 in the second phase of an SBIR program, with such amounts able to be exceeded if the Federal agency making the award notifies the Administrator of such excess; and

“(2) receive an award for the second phase of an SBIR program with respect to a project without having received a first phase award with respect to such project.”.

Page 13, line 7, strike “met and a” and insert “met, a”.

Page 13, line 8, insert after “such data” the following: “, and a description of the reasons why the goals were met or not met”.

Page 8, line 7, insert “renewable” before “energy-related”.

Page 8, line 16, after “priorities” insert “(including renewable energy-related technologies)”.

Add at the end of the bill the following:

SEC. 418. VETERAN PREFERENCE.

Section 9 of the Small Business Act (15 U.S.C. 638), as amended, is further amended by adding at the end the following:

“(qq) VETERAN PREFERENCE.—In making awards under this section, Federal agencies shall give priority to applications so as to increase the number of SBIR and STTR award recipients that are small business concerns owned and controlled by veterans.”.

Add at the end of the bill the following:

TITLE V—IMPROVING WATER USE AND TRANSMISSION TECHNOLOGY

SEC. 501. IMPROVING WATER USE AND TRANSMISSION TECHNOLOGY.

Not later than 1 year after the date of the enactment of this Act, Federal agencies with an SBIR program, as appropriate, shall jointly develop and issue a small business innovation research solicitation that requests research proposals with respect to improving the efficiency of water delivery systems and usage patterns in the United States and its territories through the use of technology.

Page 16, line 19, strike “both” and insert “more”.

Page 17, after line 3, insert the following:

“(C) Small business concerns owned and controlled by Native Americans.

Page 22, line 8, strike “Rural preference” and insert “Preferences”.

Page 22, line 12, strike “Rural preference” and insert “Preferences”.

Page 22, line 15, strike “from rural areas.” and insert “that are from rural areas, or that are small business concerns owned and controlled by Native Americans. The Administrator shall submit an annual report to Congress setting forth how many small business concerns owned and controlled by Native Americans were recipients of assistance under this section.”.

Page 17, after line 3, insert the following:

“(D) Small business concerns located in geographic areas with an unemployment rate that exceeds the national unemployment rate.

Page 19, line 24, insert after “geographic area” the following: “(including geographic areas with an unemployment rate that exceeds the national unemployment rate)”.

Page 22, line 15, insert after “recipients” the following: “that are from areas with an unemployment rate that exceeds the national unemployment rate,”.

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BROWN-WAITE OF FLORIDA, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end of the bill the following:

TITLE V—GAO STUDY WITH RESPECT TO VENTURE CAPITAL OPERATING COMPANY INVOLVEMENT

SEC. 501. GAO STUDY WITH RESPECT TO VENTURE CAPITAL OPERATING COMPANY INVOLVEMENT.

The Comptroller General of the United States shall carry out a study of the impact of requirements relating to venture capital operating company involvement under section 9(aa) of the Small Business Act, as added by section 102 of this Act. Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the results of the study.

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE KOSMAS OF FLORIDA, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 14, after line 4, insert the following:

“(2) SPACE SHUTTLE PROGRAM.—Each agency required to establish a commercialization program under paragraph (1) and that carries out construction, assembly, or research and development activities with respect to the space shuttle program (also known as the space transportation system) shall include, as part of such commercialization program, activities to assist small business concerns affected by the termination of the space shuttle program to commercialize technologies through SBIR. Activities to assist such small business concerns may include activities described in paragraph (1) and other activities to assist small business concerns making the transition from work relating to the space shuttle program to work in related or unrelated industries.

Page 14, line 5, strike “(2)” and insert “(3)”.

Page 14, line 24, strike “(3)” and insert “(4)”.

Page 15, line 1, strike “paragraphs (1) and (2)” and insert “this subsection”.

4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE REICHERT OF WASHINGTON, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 20, after line 2, insert the following new subparagraph and redesignate subparagraphs (B) through (D) in lines 3 through 14 as (C) through (E) respectively:

“(B) criteria designed to give preference (i) to applicants serving underrepresented States and regions and (ii) to applicants who are women-, service-disabled veterans-, or minority-owned.”.

5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PAULSEN
OF MINNESOTA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end of the bill the following:

SEC. 415. MEDICAL TECHNOLOGY.

Section 9(g)(3) of the Small Business Act (15 U.S.C. 638(g)(3)), as amended, is further amended in the matter preceding subparagraph (A) by inserting after “broad research topics” the following: “and research topics relating to medical technology”.

