

112TH CONGRESS  
1ST SESSION

# S. 239

To support innovation, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JANUARY 31, 2011

Ms. KLOBUCHAR (for herself and Mr. BROWN of Massachusetts) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To support innovation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Innovate America Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

### TITLE I—RESEARCH AND DEVELOPMENT

Sec. 101. Simplification of tax credit for contributions to universities for research and development purposes.

Sec. 102. Credit for charitable contributions of equipment to secondary schools and technical and community colleges.

TITLE II—LENDING TO SMALL- AND MEDIUM-SIZED HIGH  
GROWTH TECHNOLOGY COMPANIES

Sec. 201. Innovative Technology Development Loan Guarantee Program.

TITLE III—EDUCATION

Sec. 301. Definitions.

Sec. 302. Increasing funding for STEM secondary schools.

Sec. 303. Grants to institutions of higher education for retaining STEM students.

Sec. 304. Expanding undergraduate research opportunities.

Sec. 305. Internet website promoting commercialization of technology ideas invented by federally funded researchers.

Sec. 306. Technology Commercialization Awards Pilot Program.

TITLE IV—MANUFACTURING AND EXPORT PROMOTIONS

Sec. 401. Manufacturing assistance program for small- and medium-sized manufacturers in the United States.

Sec. 402. Removing barriers for exporting industries in the United States.

Sec. 403. Improving access to international markets.

TITLE V—OFFSETS

Sec. 501. Limitation on Government printing costs.

Sec. 502. Eliminating bonuses for poor performance by Government contractors.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Innovation has historically been a catalyzing  
4 force in the American economy, driving the produc-  
5 tion of game-changing technologies, the creation of  
6 millions of jobs and the opening of countless new  
7 avenues for growth. In an increasingly competitive  
8 global economy, our Nation's continued leadership  
9 and prosperity will hinge on progress in key innova-  
10 tive areas, most notably exporting, entrepreneurship,  
11 research and development, and education in science,  
12 technology, engineering, and mathematics (STEM);

1           (2) Start-up companies create the lion's share  
2 of new technologies. Increasing the flow of capital to  
3 these firms would bridge the gap that often exists  
4 between their initial startup costs and their long-  
5 term capital needs, giving the firms the resources  
6 necessary to research, develop and commercialize  
7 new products.

8           (3) Simplifying, expanding and stabilizing the  
9 tax credits that businesses and institutions of higher  
10 education rely on to offset the cost of research and  
11 would promote greater clarity in the Internal Rev-  
12 enue Code of 1986 and deliver a powerful incentive  
13 for private sector innovation.

14           (4) Increasing the emphasis on STEM edu-  
15 cation in high schools and institutions of higher edu-  
16 cation would ensure that more students have the  
17 skills and training to not only compete for jobs in  
18 a 21st century economy, but also to create the start-  
19 up companies and revolutionary technologies that  
20 will sustain American prosperity for centuries to  
21 come.

22           (5) An effective regulatory climate should pro-  
23 tect consumers and promote transparency without  
24 overburdening the businesses that create jobs. Fed-  
25 eral agencies with rulemaking authority should be

1 vigilant in assessing the impact of new regulations  
 2 on innovation and job creation, particularly in an-  
 3 chor industries like manufacturing.

4 (6) The economic impact of a new product or  
 5 technology is often dependent on its commercial suc-  
 6 cess. To ensure American products can be bought  
 7 and sold in markets around the world, the govern-  
 8 ment should identify and remove over burdensome  
 9 regulations that create barriers for United States ex-  
 10 porting companies.

11 (7) Comprehensive and fair trade agreements  
 12 are vital to the United States' ability to export. The  
 13 Federal Government should ardently work towards  
 14 ratifying trade agreements with foreign countries  
 15 that benefit the citizens and industries of the United  
 16 States.

## 17 **TITLE I—RESEARCH AND** 18 **DEVELOPMENT**

### 19 **SEC. 101. SIMPLIFICATION OF TAX CREDIT FOR CONTRIBU-** 20 **TIONS TO UNIVERSITIES FOR RESEARCH AND** 21 **DEVELOPMENT PURPOSES.**

22 (a) IN GENERAL.—Subparagraph (A) of section  
 23 41(e)(7) of the Internal Revenue Code of 1986 (defining  
 24 basic research) is amended by striking “not having a spe-  
 25 cific commercial objective”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to taxable years beginning after  
3 the date of the enactment of this Act.

4 **SEC. 102. CREDIT FOR CHARITABLE CONTRIBUTIONS OF**  
5 **EQUIPMENT TO SECONDARY SCHOOLS AND**  
6 **TECHNICAL AND COMMUNITY COLLEGES.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of  
9 1986 is amended by adding at the end the following new  
10 section:

11 **“SEC. 45S. CREDIT FOR CHARITABLE CONTRIBUTIONS OF**  
12 **EQUIPMENT TO SECONDARY SCHOOLS AND**  
13 **TECHNICAL AND COMMUNITY COLLEGES.**

14 “(a) IN GENERAL.—For purposes of section 38, the  
15 charitable equipment contribution credit determined under  
16 this section for any taxable year is an amount equal to  
17 30 percent of the fair market value (determined at the  
18 time of the contribution) of any qualified equipment which  
19 is contributed by the taxpayer to a secondary school, tech-  
20 nical college, or community college.

21 “(b) QUALIFIED EQUIPMENT.—For purposes of this  
22 section, the term ‘qualified equipment’ means any tangible  
23 personal property described in paragraph (1) of section  
24 1221(a), but only if—

1           “(1) the property is purchased, constructed, or  
2 assembled by the taxpayer,

3           “(2) the property is equipment or apparatus  
4 substantially all of the use of which by the donee is  
5 for research or experimentation, research training,  
6 or education in science or technology,

7           “(3) the property is suitable for use in the  
8 donee’s research or experimentation or educational  
9 programs,

10           “(4) the property is not transferred by the  
11 donee in exchange for money, other property, or  
12 services, and

13           “(5) the taxpayer receives from the donee a  
14 written statement representing that its use and dis-  
15 position of the property will be in accordance with  
16 the provisions of paragraphs (2), (3), and (4).

17           “(c) GAIN NOT TAKEN INTO ACCOUNT.—The  
18 amount of any contribution of qualified equipment other-  
19 wise taken into account under subsection (a) shall be re-  
20 duced, but not below zero, by the sum of—

21           “(1)  $\frac{1}{2}$  of the amount of any gain which would  
22 not have been long-term capital gain (determined  
23 without regard to section 1221(b)(3)) if the property  
24 contributed had been sold by the taxpayer at its fair

1 market value (determined at the time of such con-  
2 tribution), and

3 “(2) the amount, if any, by which the amount  
4 of such contribution (determined by taking into ac-  
5 count paragraph (1) but without regard to this para-  
6 graph) exceeds twice the taxpayer’s basis in the  
7 qualified equipment.

8 “(d) DEFINITIONS.—For purposes of this section—

9 “(1) SECONDARY SCHOOL.—The term ‘sec-  
10 ondary school’ has the meaning given such term by  
11 section 9101 of the Elementary and Secondary Edu-  
12 cation Act of 1965.

13 “(2) TECHNICAL COLLEGE.—The term ‘tech-  
14 nical college’ means a postsecondary vocational insti-  
15 tution (as defined in section 102(c) of the Higher  
16 Education Act of 1965).

17 “(3) COMMUNITY COLLEGE.—The term ‘com-  
18 munity college’ means a junior or community college  
19 (as defined in section 312 of the Higher Education  
20 Act of 1965).

21 “(e) DENIAL OF DOUBLE BENEFIT.—No deduction  
22 shall be allowed under section 170 for any contribution  
23 for which a credit is allowed under this section.”

1 (b) CREDIT TREATED AS PART OF GENERAL BUSI-  
2 NESS CREDIT.—Section 38(b) of the Internal Revenue  
3 Code of 1986 is amended—

4 (1) by striking “plus” at the end of paragraph  
5 (35),

6 (2) by striking the period at the end of para-  
7 graph (36) and inserting “, plus”, and

8 (3) by adding at the end the following new  
9 paragraph:

10 “(37) the charitable equipment contribution  
11 credit determined under section 45S(a).”.

12 (c) CLERICAL AMENDMENT.—The table of sections  
13 for subpart D of part IV of subchapter A of chapter 1  
14 of the Internal Revenue Code of 1986 is amended by add-  
15 ing at the end the following new item:

“Sec. 45S. Credit for charitable contributions of equipment to secondary  
schools and technical and community colleges.”.

16 (d) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to contributions made after De-  
18 cember 31, 2010.



1 **TITLE II—LENDING TO SMALL-**  
2 **AND MEDIUM-SIZED HIGH**  
3 **GROWTH TECHNOLOGY COM-**  
4 **PANIES**

5 **SEC. 201. INNOVATIVE TECHNOLOGY DEVELOPMENT LOAN**  
6 **GUARANTEE PROGRAM.**

7 (a) DEFINITIONS.—In this section:

8 (1) CLEAN TECHNOLOGY.—The term “clean  
9 technology” means—

10 (A) technology that improves energy effi-  
11 ciency, including—

12 (i) technologies to reduce energy con-  
13 sumption;

14 (ii) energy-efficient building tech-  
15 nologies and applications; and

16 (iii) efficient electricity transmission,  
17 distribution, and electrical grid-based stor-  
18 age;

19 (B) technology relating to energy storage;

20 (C) fuel cells and batteries; and

21 (D) component technologies for electric ve-  
22 hicles.

23 (2) RENEWABLE ENERGY.—The term “renew-  
24 able energy” means energy generated from any of  
25 the following:

1 (A) Solar, wind, geothermal, or ocean  
2 based sources.

3 (B) Biomass, biofuels, or feedstock.

4 (C) Landfill gas.

5 (D) Municipal solid waste.

6 (E) Incremental hydropower.

7 (F) Hydropower that has been certified by  
8 the Low Impact Hydropower Institute

9 (3) SMALL- OR MEDIUM-SIZE HIGH GROWTH  
10 TECHNOLOGY COMPANY.—The term “small- or me-  
11 dium-sized high growth technology company” means  
12 a small business concern that primarily engages in  
13 commerce in 1 or more of the following industries:

14 (A) Life sciences.

15 (B) Medical devices.

16 (C) Computer hardware.

17 (D) Computer software.

18 (E) Clean technology.

19 (F) Renewable energy generation and man-  
20 ufacturing.

21 (G) Such other industries as the Secretary  
22 considers appropriate.

23 (4) SECRETARY.—Except as otherwise provided,  
24 the term “Secretary” means the Secretary of Com-  
25 merce.

1           (5) SMALL BUSINESS CONCERN.—The term  
2 “small business concern” has the meaning given  
3 that term under section 3(a) of the Small Business  
4 Act (15 U.S.C. 632(a)).

5           (b) ESTABLISHMENT OF INNOVATIVE PRODUCT  
6 LOAN GUARANTEE PROGRAM.—

7           (1) ESTABLISHMENT.—The Secretary shall es-  
8 tablish a loan guarantee program to help small- and  
9 medium-sized high growth technology companies who  
10 the Secretary determines—

11                   (A) are operating in a phase of the busi-  
12 ness life cycle in which technological, market, or  
13 regulatory uncertainty constrains the amount of  
14 capital available from lenders and equity inves-  
15 tors to such companies during such phase; and

16                   (B) are unable to progress to the next  
17 phase of the business life cycle because of such  
18 constraints on the availability of capital.

19           (2) DESIGNATION.—The loan guarantee pro-  
20 gram established under paragraph (1) shall be  
21 known as the “Innovative Technology Development  
22 Loan Guarantee Program”.

23           (c) GENERAL AUTHORITY.—

24           (1) IN GENERAL.—The Secretary may, under  
25 the program established pursuant to subsection

1 (b)(1), guarantee the full or partial repayment of a  
2 loan that meets the requirements of this section.

3 (2) GUARANTEE PERCENTAGE.—For a loan  
4 guaranteed under the program established pursuant  
5 to subsection (b)(1), the Secretary may guarantee  
6 such percentage of such loan as the Secretary con-  
7 siders appropriate, except that such percentage shall  
8 be not less than 50 percent and not more than 90  
9 percent.

10 (d) LOAN REQUIREMENTS.—A loan referred to in  
11 subsection (c) meets the requirements of this section if  
12 each of the following requirements is met:

13 (1) PURPOSE.—The loan is for—

14 (A) fixed assets relating to reequipping, ex-  
15 panding, or establishing a facility the Secretary  
16 considers necessary for the loan recipient to  
17 enter the next phase of the business life cycle;  
18 or

19 (B) providing the loan recipient with work-  
20 ing capital the Secretary considers necessary  
21 for the loan recipient to enter the next phase of  
22 the business life cycle.

23 (2) INTEREST RATE.—The interest rate for the  
24 loan does not exceed such maximum rate as the Sec-  
25 retary considers appropriate.

1           (3) TERMS AND CONDITIONS.—The loan has  
2           such terms and conditions as the Secretary considers  
3           commercially reasonable and consistent with pre-  
4           vailing market standards.

5           (4) PRE-QUALIFIED LENDERS.—The loan is of-  
6           fered by a lender who has been pre-qualified under  
7           subsection (e).

8           (e) PRE-QUALIFICATION OF LENDERS.—The Sec-  
9           retary shall pre-qualify lenders who—

10           (1) are nongovernmental entities who specialize  
11           in providing financing to high growth technology  
12           companies; and

13           (2) the Secretary determines will expedite the  
14           loan process and are competent to carry out credit  
15           underwriting, loan origination, loan documentation,  
16           loan administration, and loan servicing under the  
17           program established pursuant to subsection (b)(1).

18           (f) SYNDICATION.—A lender offering a loan that is  
19           guaranteed under the program established pursuant to  
20           subsection (b)(1) shall agree not to syndicate or assign  
21           the loan unless—

22           (1) the loan is syndicated or assigned to a third  
23           party financial institution that the Secretary con-  
24           siders qualified;

1           (2) the lender retains a pre-specified portion of  
2           the unguaranteed credit risk; and

3           (3) the lender continues to perform as the serv-  
4           icing and administrative agent for the loan.

5           (g) DEFAULT.—Notwithstanding any other provision  
6 of law, in the case of a default on a loan guaranteed under  
7 this section, the lender shall have the right of first refusal  
8 to serve as workout and collection agent for purposes of  
9 such default and under such terms as the Secretary con-  
10 siders appropriate.

11          (h) FEES.—The Secretary may establish such fees as  
12 the Secretary considers necessary to cover the costs of ad-  
13 ministering the program established under subsection  
14 (b)(1).

15          (i) INNOVATIVE TECHNOLOGY DEVELOPMENT  
16 FUND.—

17           (1) IN GENERAL.—There is established in the  
18 Treasury of the United States a revolving fund  
19 known as the “Innovative Technology Development  
20 Fund” (in this subsection referred to as the  
21 “Fund”).

22           (2) ELEMENTS.—There shall be deposited in  
23 the fund the following, which shall constitute the as-  
24 sets of the Fund:

1 (A) Amounts paid into the Fund under  
2 any provision of law or regulation established  
3 by the Secretary imposing fees under subsection  
4 (h).

5 (B) All other amounts received by the Sec-  
6 retary incident to operations relating to the  
7 loan guarantee program established under sub-  
8 section (b)(1).

9 (3) USE OF FUNDS.—The Fund shall be avail-  
10 able to the Secretary, without fiscal year limitation,  
11 to carry out the provisions of this section.

12 (j) AUTHORIZATION OF APPROPRIATIONS.—There is  
13 authorized to be appropriated to the Secretary to carry  
14 out this section \$200,000,000 for fiscal year 2011.

## 15 **TITLE III—EDUCATION**

### 16 **SEC. 301. DEFINITIONS.**

17 In this title:

18 (1) DIRECTOR.—The term “Director” means  
19 the Director of the National Science Foundation.

20 (2) INSTITUTION OF HIGHER EDUCATION.—The  
21 term “institution of higher education” means an in-  
22 stitution of higher education, as defined in section  
23 101(a) of the Higher Education Act of 1965 (20  
24 U.S.C. 1001(a)).

1           (3) SCIENCE, TECHNOLOGY, ENGINEERING, AND  
 2           MATHEMATICS SECONDARY SCHOOL.—The term  
 3           “science, technology, engineering, and mathematics  
 4           secondary school” means a secondary school—

5                   (A) with a strategic focus on the subjects  
 6                   of science, technology, engineering, and mathe-  
 7                   matics;

8                   (B) that limits curriculum requirements;  
 9                   and

10                   (C) allows students greater selective choice  
 11                   within the science, technology, engineering, and  
 12                   mathematics subject areas while providing the  
 13                   resources to ensure adequate student choice and  
 14                   curricular rigor.

15           (4) STATE EDUCATIONAL AGENCY.—The term  
 16           “State educational agency” has the meaning given  
 17           the term in section 9101 of the Elementary and Sec-  
 18           ondary Education Act of 1965 (20 U.S.C. 7801).

19 **SEC. 302. INCREASING FUNDING FOR STEM SECONDARY**  
 20 **SCHOOLS.**

21           (a) PURPOSE.—The purpose of this section is to in-  
 22           crease the number of science, technology, engineering, and  
 23           mathematics secondary schools in the United States from  
 24           100 to 200.

25           (b) PROGRAM AUTHORIZED.—



1           (1) IN GENERAL.—From amounts appropriated  
2           under subsection (f), the Secretary of Education  
3           shall award grants, on a competitive basis, to State  
4           educational agencies to enable the State educational  
5           agencies to carry out the purposes of this section by  
6           establishing or expanding science, technology, engi-  
7           neering, and mathematics secondary schools.

8           (2) GEOGRAPHIC DISTRIBUTION.—The Sec-  
9           retary shall award grants under this section in a  
10          manner that ensure geographic diversity.

11          (c) APPLICATION.—A State educational agency desir-  
12          ing to receive a grant under this section shall submit an  
13          application to the Secretary of Education at such time,  
14          in such manner, and containing such information as the  
15          Secretary may require.

16          (d) USE OF FUNDS.—A State educational agency re-  
17          ceiving funds under this section shall use such funds to  
18          award subgrants, on a competitive basis, to local edu-  
19          cational agencies in the State in order to enable the local  
20          educational agencies to establish and maintain new  
21          science, technology, engineering, and mathematics sec-  
22          ondary schools, which may include repurposing an existing  
23          secondary school to become a science, technology, engi-  
24          neering, or mathematics school.

1 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to carry out this section,  
3 \$50,000,000 for each of fiscal years 2012 through 2021.

4 **SEC. 303. GRANTS TO INSTITUTIONS OF HIGHER EDU-**  
5 **CATION FOR RETAINING STEM STUDENTS.**

6 (a) PURPOSE.—The purpose of this section is to pro-  
7 vide positive incentives for institutions of higher education  
8 to implement programs that help retain students in  
9 science, technology, engineering, and mathematics pro-  
10 grams at the institution of higher education.

11 (b) PROGRAM AUTHORIZED.—The Director shall es-  
12 tablish a program of providing awards, from funds avail-  
13 able through the STEM Awards Trust Fund described in  
14 subsection (c), to 4-year degree-granting institutions of  
15 higher education. In order to receive an award under this  
16 subsection, a 4-year degree-granting institution of higher  
17 education shall have—

18 (1) dramatically increased the percentage and  
19 number of students who enter an institution intend-  
20 ing to major in science, technology, engineering, or  
21 mathematics and who do graduate from such institu-  
22 tion with a degree in such a subject; and

23 (2) demonstrably sustained such increase for  
24 more than 5 years.

25 (c) STEM AWARDS TRUST FUND.—

1           (1) ESTABLISHMENT.—There is established in  
2           the Treasury of the United States a trust fund, to  
3           be known as the STEM Awards Trust Fund (re-  
4           ferred to in this section as the “Trust Fund”), con-  
5           sisting of such amounts as are transferred to the  
6           Trust Fund under paragraph (2) of this section and  
7           any interest earned on investment of amounts in the  
8           Trust Fund under paragraph (3)(B).

9           (2) TRANSFER OF AMOUNTS.—

10           (A) GIFTS.—The Director may accept, use,  
11           and dispose of gifts, not including gifts of serv-  
12           ices, for the purposes of carrying out this sec-  
13           tion.

14           (B) TRANSFER OF GIFTS INTO TRUST  
15           FUND.—The Director shall, for each fiscal year,  
16           transfer any amounts provided to the Director  
17           under subparagraph (A) into the Trust Fund.

18           (C) TRANSFER OF APPROPRIATED  
19           FUNDS.—Any amounts appropriated to carry  
20           out this section shall be without fiscal year limi-  
21           tation, and the Director shall transfer such  
22           amounts into the Trust Fund. Such amounts  
23           shall be kept in a separate account or otherwise  
24           separated from any amounts transferred into  
25           the Trust Fund under subparagraph (B).

## 1 (3) INVESTMENT OF TRUST FUND.—

2 (A) IN GENERAL.—It shall be the duty of  
3 the Secretary of the Treasury to invest such  
4 portion of the Trust Fund as is not, in the Sec-  
5 retary's judgment, required to meet current  
6 withdrawals. Such investments may be made  
7 only in interest-bearing obligations of the  
8 United States or in obligations guaranteed as to  
9 both principal and interest by the United  
10 States. For such purpose, such obligations may  
11 be acquired—

12 (i) on original issue at the issue price,

13 or

14 (ii) by purchase of outstanding obliga-  
15 tions at the market price.

16 The purposes for which obligations of the  
17 United States may be issued under chapter 31  
18 of title 31, of the United States Code, are here-  
19 by extended to authorize the issuance at par of  
20 special obligations exclusively to the Trust  
21 Fund. Such special obligations shall bear inter-  
22 est at a rate equal to the average rate of inter-  
23 est, computed as to the end of the calendar  
24 month next preceding the date of such issue,  
25 borne by all marketable interest-bearing obliga-

1           tions of the United States then forming a part  
2           of the Public Debt; except that where such av-  
3           erage rate is not a multiple of one-eighth of 1  
4           percent, the rate of interest of such special obli-  
5           gations shall be the multiple of one-eighth of 1  
6           percent next lower than such average rate. Such  
7           special obligations shall be issued only if the  
8           Secretary of the Treasury determines that the  
9           purchase of other interest-bearing obligations of  
10          the United States, or of obligations guaranteed  
11          as to both principal and interest by the United  
12          States on original issue or at the market price,  
13          is not in the public interest.

14                 (B) SALE OF OBLIGATION.—Any obligation  
15                 acquired by the Trust Fund (except special obli-  
16                 gations issued exclusively to the Trust Fund)  
17                 may be sold by the Secretary of the Treasury  
18                 at the market price, and such special obliga-  
19                 tions may be redeemed at par plus accrued in-  
20                 terest.

21                 (C) CREDITS TO TRUST FUND.—The inter-  
22                 est on, and the proceeds from the sale or re-  
23                 demption of, any obligations held in the Trust  
24                 Fund shall be credited to and form a part of  
25                 the Trust Fund.

1 (4) OBLIGATIONS FROM TRUST FUND.—

2 (A) IN GENERAL.—Subject to subpara-  
3 graph (B), the Director is hereafter authorized  
4 to obligate such sums as are available in the  
5 Trust Fund (including any amounts not obli-  
6 gated in previous fiscal years) for—

- 7 (i) providing awards under subsection  
8 (b); and  
9 (ii) properly allocable administrative  
10 costs of the Federal Government for the  
11 activities specified above.

12 (B) FEDERAL MATCH.—In making any  
13 award under this section, the Director shall, to  
14 the extent feasible, use equal amounts of funds  
15 in the Trust Fund that were given by private  
16 entities under paragraph (2)(A) and funds in  
17 the Trust Fund that were appropriated in ac-  
18 cordance with paragraph (2)(C).

19 (5) REPORT TO CONGRESS.—It shall be the  
20 duty of the Secretary of the Treasury to hold the  
21 Trust Fund, and (after consultation with the Direc-  
22 tor) to report to the Congress each year on the fi-  
23 nancial condition and the results of the operations of  
24 the Trust Fund during the preceding fiscal year and  
25 on its expected condition and operations during the

1 next fiscal year. Such report shall be printed as both  
2 a House and Senate document of the session of the  
3 Congress to which the report is made.

4 (d) EVALUATION.—Not later than 4 years after the  
5 date of enactment of this Act, the Director shall conduct  
6 an evaluation regarding the effectiveness of the program  
7 under this section.

8 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
9 authorized to be appropriated to carry out this section  
10 \$66,000,000 for each of the fiscal years 2012 through  
11 2016.

12 (f) SUNSET PROVISION.—

13 (1) IN GENERAL.—The provisions of this sec-  
14 tion shall cease to have effect on the date that is 5  
15 years after the date of enactment of this Act, unless  
16 the Director—

17 (A) determines, based on the evaluation  
18 described in subsection (d), that the program  
19 has proven to be effective in accomplishing the  
20 purposes of this section; and

21 (B) submits, in writing, the Director's de-  
22 cision to the appropriate committees of Con-  
23 gress.

24 (2) DISSOLUTION OF TRUST FUND.—Notwith-  
25 standing subsection (e)(2)(C), upon a termination of

1       this section under paragraph (1), all amounts in the  
2       Trust Fund shall be deposited in the Treasury of the  
3       United States as miscellaneous receipts.

4 **SEC. 304. EXPANDING UNDERGRADUATE RESEARCH OP-**  
5 **PORTUNITIES.**

6       (a) **IN GENERAL.**—Not later than June 1, 2013, the  
7 President shall ensure that not less than 10 percent of  
8 all Federal funds available for a fiscal year for under-  
9 graduate student research opportunities at 4-year degree-  
10 granting institutions of higher education shall be used to  
11 fund research opportunities for postsecondary students  
12 during the students' first academic year of postsecondary  
13 education or the summer following such first year.

14       (b) **SENSE OF CONGRESS.**—It is the sense of the  
15 Congress that each Federal agency should restructure the  
16 agency's undergraduate student research opportunities for  
17 students attending 4-year institutions of higher education,  
18 in order to provide more research opportunities for post-  
19 secondary students during the students' first academic  
20 year of postsecondary education or the summer following  
21 such first year.

22       (c) **IDENTIFICATION OF RESEARCH PROGRAMS.**—Not  
23 later than December 31, 2012, the head of each Federal  
24 agency shall submit to the President—



1           (1) a list of all programs and funds available  
2           for undergraduate student research under the juris-  
3           diction of the agency; and

4           (2) recommendations regarding how the agency  
5           can best fulfill the requirements of subsection (a).

6 **SEC. 305. INTERNET WEBSITE PROMOTING COMMER-**  
7           **IALIZATION OF TECHNOLOGY IDEAS IN-**  
8           **VENTED BY FEDERALLY FUNDED RESEARCH-**  
9           **ERS.**

10          (a) **IN GENERAL.**—Not later than 1 year after the  
11          date of the enactment of this Act, the Secretary of Com-  
12          merce shall, acting through the Director of the National  
13          Institute for Standards and Technology, establish and  
14          maintain an Internet website that connects federally fund-  
15          ed researchers who have ideas for technologies that they  
16          believe could be commercialized with persons who express  
17          interest in working with federally funded researchers on  
18          the commercialization of their technologies.

19          (b) **PARTICIPATION OPTIONAL.**—Participation of a  
20          federally funded researcher in the Internet website re-  
21          quired by subsection (a) shall be optional.

22          (c) **REPORT.**—

23                 (1) **IN GENERAL.**—Not later than 2 years after  
24                 the establishment of the Internet website required by

1 subsection (a), the Secretary shall submit to Con-  
2 gress a report on such Internet website.

3 (2) ELEMENTS.—The report required by para-  
4 graph (1) shall include the following:

5 (A) The status of the Internet website re-  
6 quired by subsection (a).

7 (B) An assessment of such Internet  
8 website.

9 (C) Such recommendations as the Sec-  
10 retary may have for improvements to the Inter-  
11 net website and any additional funding or legis-  
12 lative action as the Secretary considers nec-  
13 essary to implement such improvements.

14 (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
15 authorized to be appropriated to the Secretary of Com-  
16 merce to carry out this section \$1,000,000 for each of the  
17 fiscal years 2011 through 2015. Amounts appropriated  
18 under this subsection shall remain available until ex-  
19 pended.

20 **SEC. 306. TECHNOLOGY COMMERCIALIZATION AWARDS**  
21 **PILOT PROGRAM.**

22 (a) IN GENERAL.—The Director of the National  
23 Science Foundation (referred to in this section as the “Di-  
24 rector”), through the Partnerships for Innovation Pro-  
25 gram, shall administer a Technology Commercialization

1 Awards Pilot Program through which promising tech-  
2 nology advances derived from National Science Founda-  
3 tion research grants shall be eligible for follow-on funding  
4 to move the technology through prototype and demonstra-  
5 tion phases, with training available for researcher partici-  
6 pants in business plan development, technology transfer  
7 and commercialization, and in processes for establishing  
8 start-up firms based on the technologies developed.

9 (b) COMPETITIVE SELECTION.—The Director shall—

10 (1) seek from National Science Foundation of-  
11 fices and divisions recommendations on outstanding  
12 research funded by the National Science Foundation  
13 with clear promise that such research can be ad-  
14 vanced close to commercialized in a 3- to 5-year pe-  
15 riod;

16 (2) solicit applications from National Science  
17 Foundation award grantees who believe that they  
18 have qualifying technologies eligible for commer-  
19 cialization; and

20 (3) award grants to such National Science  
21 Foundation award grantees based on a merit-based,  
22 competitive selection process.

23 (c) ADVISORY COMMITTEE.—The Director shall form  
24 an Advisory Committee of experts on technology and the  
25 technology commercialization process to advise the Na-

1 tional Science Foundation on the Technology Commer-  
2 cialization Awards Pilot Program.

3 (d) REPORT.—Not later than 3 years after the first  
4 grant is awarded under this section, the Director shall—

5 (1) report to the relevant committees of Con-  
6 gress on the Technology Commercialization Awards  
7 Pilot Program’s results; and

8 (2) make recommendations on whether and how  
9 such a technology commercialization fund could be  
10 adopted by other Federal research and development  
11 agencies.

12 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
13 authorized to be appropriated to carry out this section  
14 \$10,000,000 for each of the fiscal years 2011 through  
15 2015.

## 16 **TITLE IV—MANUFACTURING** 17 **AND EXPORT PROMOTIONS**

### 18 **SEC. 401. MANUFACTURING ASSISTANCE PROGRAM FOR** 19 **SMALL- AND MEDIUM-SIZED MANUFACTUR-** 20 **ERS IN THE UNITED STATES.**

21 (a) DEFINITIONS.—In this section:

22 (1) SECRETARY.—The term “Secretary” means  
23 the Secretary of Commerce.

1           (2) SMALL- AND MEDIUM-SIZED DOMESTIC  
2 MANUFACTURERS.—The term “small- and medium-  
3 sized domestic manufacturers” means businesses—

4                   (A) with not more than 500 employees;  
5                   and

6                   (B) with facilities located in the United  
7 States that mechanically, physically, or chemi-  
8 cally transform materials, substances, or com-  
9 ponents into new products, including component  
10 parts.

11       (b) ESTABLISHMENT.—Not later than 180 days after  
12 the date of the enactment of this Act, the Secretary shall  
13 establish a manufacturing assistance program for small-  
14 and medium-sized domestic manufacturers for the pur-  
15 poses of promoting the manufacturing of goods in the  
16 United States and enabling those manufacturers to be  
17 competitive in the global economy by—

18                   (1) identifying and reducing regulatory burdens  
19                   on those manufacturers under subsection (c); and

20                   (2) providing those manufacturers with infor-  
21 mation and other assistance under subsection (d).

22       (c) REDUCTION OF REGULATORY BURDENS.—The  
23 Secretary shall—

1           (1) identify any regulatory requirements appli-  
2           cable to small- and medium-sized domestic manufac-  
3           turers that—

4                   (A) impose an unnecessary burden on  
5           those manufacturers; and

6                   (B) may be eliminated or reduced in order  
7           to promote the manufacture of goods in the  
8           United States;

9           (2) take appropriate action to eliminate or re-  
10          duce the regulatory requirements identified under  
11          paragraph (1); and

12          (3) not later than 1 year after the date on  
13          which the Secretary establishes the program re-  
14          quired by subsection (b), submit to Congress a re-  
15          port that makes recommendations with respect to  
16          action by Congress that may be necessary to elimi-  
17          nate or reduce the regulatory requirements identified  
18          under paragraph (1).

19          (d) ASSISTANCE.—The Secretary shall assist small-  
20          and medium-sized domestic manufacturers by providing  
21          the manufacturers with information with respect to—

22                   (1) how small- and medium-sized domestic  
23                  manufacturers can comply efficiently with regula-  
24                  tions applicable to those manufacturers;

1           (2) recently proposed and recently prescribed  
2 regulations likely to have an effect on small- and  
3 medium-sized domestic manufacturers; and

4           (3) how small- and medium-sized domestic  
5 manufacturers can express their views and provide  
6 input with respect to any policy developments relat-  
7 ing to the manufacture of products in the United  
8 States.

9           (e) REPORT ON EFFECTIVENESS OF PROGRAM.—Not  
10 later than January 1, 2015, the Secretary shall submit  
11 to Congress a report on the program established under  
12 subsection (b) that includes—

13           (1) an assessment of the extent to which the  
14 program has been effective—

15           (A) in identifying and reducing regulatory  
16 burdens on small- and medium-sized domestic  
17 manufacturers under subsection (c);

18           (B) in providing information and other as-  
19 sistance to small- and medium-sized domestic  
20 manufacturers under subsection (d); and

21           (C) in promoting the manufacturing of  
22 goods in the United States and enabling small-  
23 and medium-sized domestic manufacturers to be  
24 competitive in the global economy;





1           (3) making recommendations with respect to  
 2           legislative action that could be taken by Congress to  
 3           reduce those barriers.

4 **SEC. 403. IMPROVING ACCESS TO INTERNATIONAL MAR-**  
 5 **KETS.**

6           There are authorized to be appropriated to the  
 7 United States Trade Representative \$2,000,000 for each  
 8 of the fiscal years 2011 through 2013 to initiate any pro-  
 9 ceeding to resolve a dispute relating to barriers to market  
 10 access with a country—

11           (1) that is a WTO member (as that term is de-  
 12 fined in section 2(10) of the Uruguay Round Agree-  
 13 ments Act (19 U.S.C. 3501(10))); or

14           (2) with which the United States has a trade  
 15 agreement in effect.

16 **TITLE V—OFFSETS**

17 **SEC. 501. LIMITATION ON GOVERNMENT PRINTING COSTS.**

18           Not later than 180 days after the date of enactment  
 19 of this Act, the Director of the Office of Management and  
 20 Budget shall coordinate with the heads of Federal depart-  
 21 ments and independent agencies to—

22           (1) determine which Government publications  
 23 could be available on Government websites and no  
 24 longer printed and to devise a strategy to reduce  
 25 overall Government printing costs over the 10-year

1 period beginning with fiscal year 2011, except that  
2 the Director shall ensure that essential printed docu-  
3 ments prepared for social security recipients, medi-  
4 care beneficiaries, and other populations in areas  
5 with limited Internet access or use continue to re-  
6 main available;

7 (2) establish government-wide Federal guide-  
8 lines on employee printing; and

9 (3) issue on the Office of Management and  
10 Budget's public website the results of a cost-benefit  
11 analysis on implementing a digital signature system  
12 and on establishing employee printing identification  
13 systems, such as the use of individual employee  
14 cards or codes, to monitor the amount of printing  
15 done by Federal employees; except that the Director  
16 of the Office of Management and Budget shall en-  
17 sure that Federal employee printing costs unrelated  
18 to national defense, homeland security, border secu-  
19 rity, national disasters, and other emergencies do  
20 not exceed \$860,000,000 annually.

21 **SEC. 502. ELIMINATING BONUSES FOR POOR PERFORM-**  
22 **ANCE BY GOVERNMENT CONTRACTORS.**

23 (a) GUIDANCE ON LINKING OF AWARD AND INCEN-  
24 TIVE FEES TO OUTCOMES.—Not later than 180 days after  
25 the date of enactment of this Act, each Federal depart-

1 ment or agency shall issue guidance, with detailed imple-  
2 mentation instructions (including definitions), on the ap-  
3 propriate use of award and incentive fees in department  
4 or agency programs.

5 (b) ELEMENTS.—The guidance under subsection (a)  
6 shall—

7 (1) ensure that all new contracts using award  
8 fees link such fees to outcomes (which shall be de-  
9 fined in terms of program cost, schedule, and per-  
10 formance);

11 (2) establish standards for identifying the ap-  
12 propriate level of officials authorized to approve the  
13 use of award and incentive fees in new contracts;

14 (3) provide guidance on the circumstances in  
15 which contractor performance may be judged to be  
16 excellent or superior and the percentage of the avail-  
17 able award fee which contractors should be paid for  
18 such performance;

19 (4) establish standards for determining the per-  
20 centage of the available award fee, if any, which con-  
21 tractors should be paid for performance that is  
22 judged to be acceptable, average, expected, good, or  
23 satisfactory;

24 (5) ensure that no award fee may be paid for  
25 contractor performance that is judged to be below

1       satisfactory performance or performance that does  
2       not meet the basic requirements of the contract;

3           (6) provide specific direction on the cir-  
4       cumstances, if any, in which it may be appropriate  
5       to roll over award fees that are not earned in one  
6       award fee period to a subsequent award fee period  
7       or periods;

8           (7) ensure that the Department or agency—

9                (A) collects relevant data on award and in-  
10       centive fees paid to contractors; and

11               (B) has mechanisms in place to evaluate  
12       such data on a regular basis; and

13           (8) include performance measures to evaluate  
14       the effectiveness of award and incentive fees as a  
15       tool for improving contractor performance and  
16       achieving desired program outcomes.

17       (c) RETURN OF UNEARNED BONUSES.—Any funds  
18       intended to be awarded as incentive fees that are not paid  
19       due to contractors' inability to meet the criteria estab-  
20       lished by this section shall be returned to the Treasury.

○