Association of American Universities

Office of Federal Relations

MEMORANDUM

May 21, 1979

TO: Parker Coddington
Tom Jones
Larry Horton
Howard Bremer

FROM: Newton O. Cattell

I am attaching a copy of S. 1074, introduced by Senator Kennedy and referred to the Select Committee on Small Business. The bill is designed to encourage innovation and the commercialization of research and development findings in small business and requires that R & D granting agencies spend a certain portion of there funds in small business'.

According to Jerry Sturgis, Senator Nelson was unaware that Senator Kennedy planned to introduce the bill and that it would be referred to the Select Committee on Small Business. It is a rare event that legislation is referred to the Nelson committee. S. 1074 may, according to Sturgis, provide a forum for hearings on Patent Policy.

cc: Jack Crowley
enclosure

96TH CONGRESS
1ST SESSION

S. 1074

To amend the Small Business Act to strengthen significantly the role of small, innovative firms in federally funded research and development, to promote their formation and growth, and to promote a higher level of innovation and productivity in the Nation's economy.

IN THE SENATE OF THE UNITED STATES

MAY 3 (legislative day, APRIL 9), 1979

Mr. KENNEDY introduced the following bill; which was read twice and referred to the Select Committee on Small Business

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A BILL

To amend the Small Business Act to strengthen significantly the role of small, innovative firms in federally funded research and development, to promote their formation and growth, and to promote a higher level of innovation and productivity in the Nation's economy.

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

SECTION 1. This Act may be cited as the "Small Business Innovation Research Act of 1979".

SEC. 2. For the purpose of this Act and any amendment made by this Act—

(1) the term "contract" means any contract, grant, or cooperative agreement entered into between any Federal agency and any organization or person for the performance of experiments, developmental or research work included by any Federal agency in a Small Business Innovation Research (SBIR) program pursuant to this Act and regulations issued hereunder;

(2) the term "Small Business Innovation Research Program" or "SBIR" means a program under which a portion of a Federal agency's research or research and development effort is reserved for award to small business concerns through a simplified, standardized acquisition process having a phase for determining, insofar as possible, the practicability of ideas proposed under the program, and a phase for the principal research effort to develop the proposed idea to the product production level, in order to promote greater utilization of small science and technology firms in United States Government research and development and conversion of that research to technological innovation in the private sector or for technological innovation in products intended for Government use.

(3) the terms "research" and "research and development" have the same meanings as given them by the Cost Accounting Standards Board.

SEC. 3. Section 9(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(4) to develop and maintain a source file and an information program to assure each qualified and interested small business concern the opportunity to participate in Federal agency Small Business Innovation Research programs;

"(5) to coordinate with participating agencies a schedule for release of SBIR solicitations, and prepare a master release schedule to preclude several Federal agencies from releasing solicitations at one time thereby limiting the small concerns' opportunities to respond to some solicitations;

"(6) to independently survey and monitor the operation of SBIR programs within participating Federal agencies; and

"(7) to report annually to the Select Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives on the SBIR programs of the Federal agencies and the Ad-

ministration's information and monitoring efforts related to the SBIR programs.".

SEC. 4. Section 9 of the Small Business Act is amended by adding at the end thereof the following new subsections:

"(e) Each Federal agency which has a research or research and development budget in excess of $100,000,000 for any fiscal year beginning with fiscal year 1980 shall expend not less than one-half of 1 per centum of such budget for fiscal year 1980 and not less than one per centum of such budget for each subsequent fiscal year with small business concerns specifically in connection with a Small Business Innovation Research program which meets the requirements of this Act and regulations issued hereunder. Contract awards to small business concerns for research or research and development which result from competitive or single source selections other than under an SBIR program shall not be counted as meeting any portion of the percentage requirements of this section.

"(f) Each Federal agency required by subsection (e) to establish a Small Business Innovation Research program shall in accordance with this Act and regulations issued hereunder—

"(1) establish an agency Small Business Innovation Research program;

"(2) determine categories of projects to be in its SBIR program;

"(3) issue SBIR solicitations in accordance with a schedule determined cooperatively with the Small Business Administration;

"(4) receive and evaluate proposals resulting from SBIR proposals;

"(5) select awardees for its SBIR contracts;

"(6) administer its own SBIR contracts (or delegate such administration to another agency);

"(7) make payments to SBIR contractors on the basis of progress toward or completion of the contract requirements; and

"(8) make quarterly reports on the SBIR program to the Small Business Administration.

"(g) In addition to the requirements of subsection (e), each Federal agency which has a budget for research or research and development in excess of $20,000,000 for any fiscal year beginning with fiscal year 1980 shall establish goals specifically for awards of contracts for research or research and development to small business concerns, but an agency may include the value of SBIR contracts in determining whether its goals under this subsection are met.

"(h) Each Federal agency required by this section to have an SBIR program or to establish goals shall report

quarterly to the Small Business Administration the number of such contract awards (for contracts over $10,000 in amount) and the dollar value of all such contract awards, identifying SBIR awards and comparing the number and amount of such awards with awards to other than small business concerns.".

SEC. 5. (a) The Administrator of the Office of Federal Procurement Policy, in conjunction with the Small Business Administration and the National Science Foundation, is authorized and directed to promulgate and issue appropriate regulations, in accordance with the provisions of this Act and within one hundred and twenty days of its enactment, for conduct of Small Business Innovation Research programs within the Federal Government. Such regulations shall—

(1) provide for simplified standardized and timely SBIR solicitations, proposals, and evaluation processes;

(2) require Federal agencies to coordinate SBIR solicitation release schedules with the Small Business Administration; and

(3) include uniform requirements for patent rights and rights in data that are commensurate with the intent of this Act.

(b) The National Science Foundation and the Small Business Administration shall furnish the Administrator of the Office of Federal Procurement Policy advice and assistance in the promulgation of regulations under this section.

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