

Association of American Universities

Office of Federal Relations

MEMORANDUM

May 21, 1979

TO: Parker Coddington
Tom Jones
Larry Horton
Howard Bremer ✓

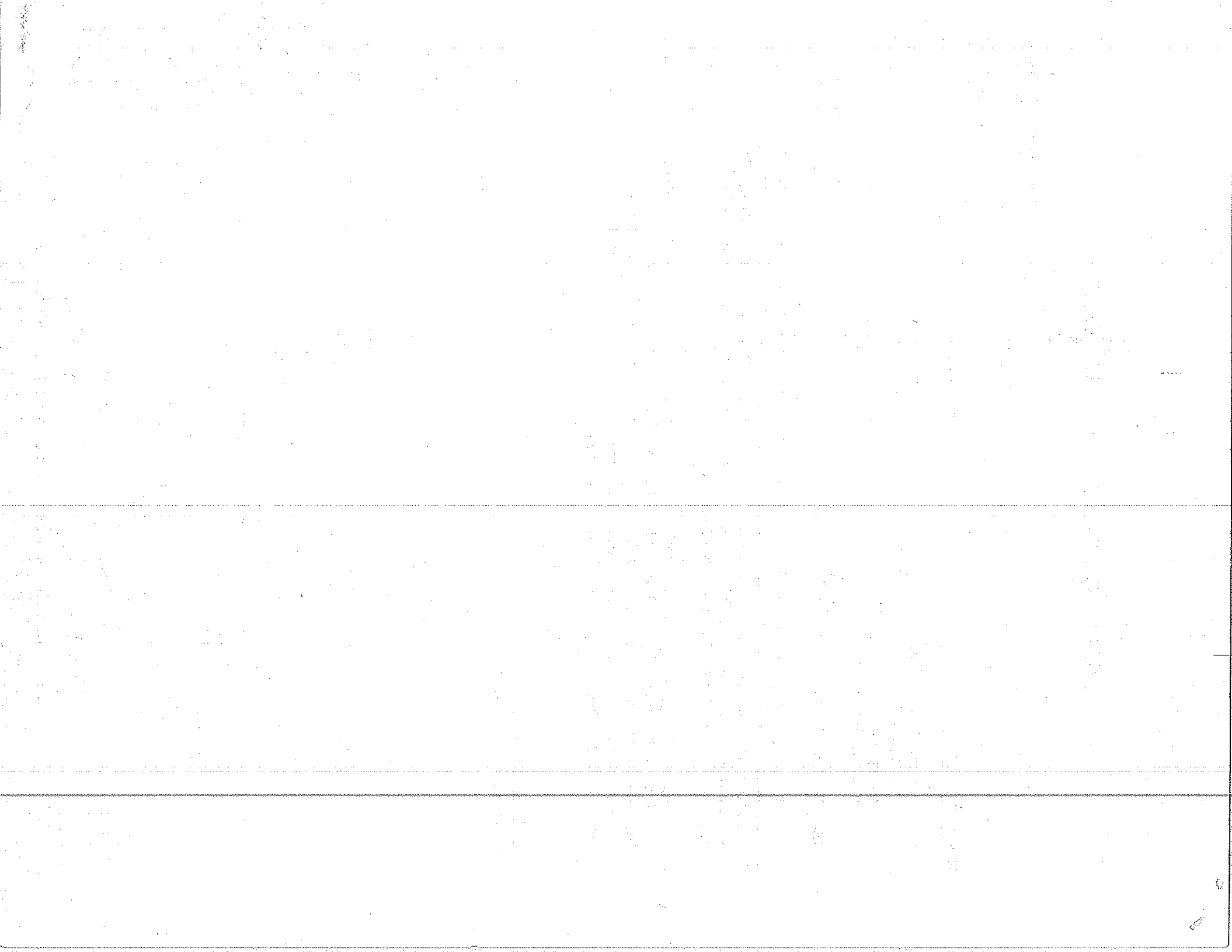
FROM: Newton O. Cattell *NOC*

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

copy sent



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

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.

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. This Act may be cited as the "Small Busi-
4 ness Innovation Research Act of 1979".

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

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

8 (2) the term "Small Business Innovation Research
9 Program" or "SBIR" means a program under which a
10 portion of a Federal agency's research or research and
11 development effort is reserved for award to small busi-
12 ness concerns through a simplified, standardized acqui-
13 sition process having a phase for determining, insofar
14 as possible, the practicability of ideas proposed under
15 the program, and a phase for the principal research
16 effort to develop the proposed idea to the product pro-
17 duction level, in order to promote greater utilization of
18 small science and technology firms in United States
19 Government research and development and conversion
20 of that research to technological innovation in the pri-
21 vate sector or for technological innovation in products
22 intended for Government use.

23 (3) the terms "research" and "research and devel-
24 opment" have the same meanings as given them by
25 the Cost Accounting Standards Board.

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

3 (1) by striking out “and” at the end of clause (2);

4 (2) by striking out the period at the end of clause
5 (3) and inserting in lieu thereof “; and”; and

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

7 “(4) to develop and maintain a source file and an
8 information program to assure each qualified and inter-
9 ested small business concern the opportunity to partici-
10 pate in Federal agency Small Business Innovation Re-
11 search programs;

12 “(5) to coordinate with participating agencies a
13 schedule for release of SBIR solicitations, and prepare
14 a master release schedule to preclude several Federal
15 agencies from releasing solicitations at one time there-
16 by limiting the small concerns’ opportunities to respond
17 to some solicitations;

18 “(6) to independently survey and monitor the op-
19 eration of SBIR programs within participating Federal
20 agencies; and

21 “(7) to report annually to the Select Committee
22 on Small Business of the Senate and the Committee on
23 Small Business of the House of Representatives on the
24 SBIR programs of the Federal agencies and the Ad-

1 ministration's information and monitoring efforts relat-
2 ed to the SBIR programs.”.

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

5 “(e) Each Federal agency which has a research or re-
6 search and development budget in excess of \$100,000,000
7 for any fiscal year beginning with fiscal year 1980 shall
8 expend not less than one-half of 1 per centum of such budget
9 for fiscal year 1980 and not less than one per centum of such
10 budget for each subsequent fiscal year with small business
11 concerns specifically in connection with a Small Business In-
12 novation Research program which meets the requirements of
13 this Act and regulations issued hereunder. Contract awards
14 to small business concerns for research or research and de-
15 velopment which result from competitive or single source se-
16 lections other than under an SBIR program shall not be
17 counted as meeting any portion of the percentage require-
18 ments of this section.

19 “(f) Each Federal agency required by subsection (e) to
20 establish a Small Business Innovation Research program
21 shall in accordance with this Act and regulations issued here-
22 under—

23 “(1) establish an agency Small Business Innova-
24 tion Research program;

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

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

6 “(4) receive and evaluate proposals resulting from
7 SBIR proposals;

8 “(5) select awardees for its SBIR contracts;

9 “(6) administer its own SBIR contracts (or dele-
10 gate such administration to another agency);

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

14 “(8) make quarterly reports on the SBIR program
15 to the Small Business Administration.

16 “(g) In addition to the requirements of subsection (e),
17 each Federal agency which has a budget for research or re-
18 search and development in excess of \$20,000,000 for any
19 fiscal year beginning with fiscal year 1980 shall establish
20 goals specifically for awards of contracts for research or re-
21 search and development to small business concerns, but an
22 agency may include the value of SBIR contracts in determin-
23 ing whether its goals under this subsection are met.

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

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

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

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

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

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

23 (b) The National Science Foundation and the Small
24 Business Administration shall furnish the Administrator of
25 the Office of Federal Procurement Policy advice and assist-
26 ance in the promulgation of regulations under this section.