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COLORADO STATE UNIVERSITY RESEARCH FOUNDATION

Fort Collins, Colorado 80523
303/491-7194

November 6, 1979

TO: SUPA Officers and Trustees

FROM: Cynthia Hanson

Cynthia Hanson

Enclosed is a copy of a draft of new legislation on applied research and technology transfer which was sent to us from NASULGC. If you have not already seen it, you may be interested in reviewing it. Jerry Roschwalb is asking for comments and also that the document be kept relatively confidential.

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pg 36 illegible
pg 51 missing*

*These are the best part.
CWH*

{PRELIMINARY DRAFT}

96th CONGRESS
1st Session

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. Williams introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To provide financial assistance to postsecondary educational
institutions and to postsecondary educational institutions
and business concerns applying jointly for research designed
to develop new technology for the improvement of educational
services and productivity generally, to establish a
Postsecondary Educational Technology Development Board, to
establish a National Corporation for Research and
Technological Innovation to finance through loans and loan
guarantees high-risk ventures which seek to develop and
demonstrate new technologies and stimulate innovation, and
for other purposes.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled, That
3 this Act may be cited as the "Postsecondary Educational
4 Technology Development Incentive Act".

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TITLE I--FINDINGS, PURPOSE AND POLICY

FINDINGS

Sec. 101. The Congress finds that--

(1) postsecondary educational institutions of the United States constitute a primary source for the development of knowledge and technology which may be applied to the solution of urgent national problems;

(2) postsecondary educational institutions face dire economic problems which threaten to diminish the capacity of such institutions to generate knowledge and new technology in the public interest;

(3) the economic problems of such institutions are increased by an anticipated and unprecedented reduction in enrollments in traditional populations of students,

1 and may result in a reduction of as much as 30 percent in
2 enrollment by the year 1990;

3 (4) the United States faces severe economic problems
4 characterized by significant trade deficits, inflation,
5 losses in productivity, and a reduction in innovation in
6 many sectors of the economy;

7 (5) the significant cause and consequence of the
8 economic conditions of the United States is a decline in
9 the development, application, use, and evaluation of new
10 technologies, particularly the relationship between the
11 application of new technologies to urgent national
12 problems of productivity, product development, the
13 improvement of educational services, and the effective
14 delivery of public services;

15 (6) postsecondary educational institutions possess
16 the base of knowledge, groups of highly educated
17 personnel, inventive capacity and reservoirs of skills
18 necessary to reverse the decline in the development of
19 new technologies and the application, use, and evaluation
20 of such technologies and thereby stimulate student
21 enrollment and strengthen the institutions themselves;

22 (7) the United States has recently experienced a
23 decline in the process of industrial innovation and
24 productivity which is directly related to, and adversely
25 affects, domestic productivity, the rate of economic
26 growth, the level of employment, the balance of trade,
27 and the attainment of other national goals;

28 (8) existing postsecondary educational institutions
29 and public and private agencies and organizations, cannot
30 provide the amount of long-range and high-risk investment
31 capital essential to finding and implementing solutions
32 to future problems of the United States; and

33 (9) Federal assistance is needed for adaptation of
34 new technology to the improvement of educational

1 services, the improvement of the delivery of public
2 services and to commercial enterprises.

3 STATEMENT OF POLICY

4 Sec. 102. (a) It is the policy of the United States to
5 augment, expand, and improve the ability of postsecondary
6 educational institutions in the United States to undertake
7 and promote research designed to develop, apply, and evaluate
8 new technology, particularly the application of new
9 technology to the mission of such institutions.

10 (b) It is the further policy of this Act to channel
11 investment into technologies, particularly high-risk ventures
12 that affect domestic industrial productivity, stimulate
13 innovation and job development in emerging and leading
14 industries, preserve and enhance competition and improve real
15 economic living standards.

16 (c) It is the further policy of the United States to
17 assure a long-term and coordinated effort to carry out the
18 provisions of this Act through the establishment of the
19 Postsecondary Educational Technology Development Board and
20 the National Corporation for Research and Technological
21 Innovation.

22 STATEMENT OF PURPOSE

23 Sec. 103. It is the purpose of this Act to--

24 (1) provide financial assistance through grants,
25 contracts, loans, and loan guarantees for research
26 designed to support the development, application,
27 utilization and evaluation of technology by postsecondary
28 educational institutions;

29 (2) provide sources of funds for such research from
30 the National Corporation for Research and Technological
31 Innovation and from non-Federal sources to increase
32 support for such research;

33 (3) establish a Postsecondary Educational Technology
34 Development Board, a National Corporation for Research

1 and Technological Innovation and a Center for the
2 Demonstration of Technology Development Projects to
3 implement the policy and programs authorized by this Act;

4 (4) assure a coordinated effort for improved research
5 and technological development and the application of new
6 technology to the problems of postsecondary education and
7 to the enhancement of the economy by the Postsecondary
8 Educational Technology Development Board and the National
9 Corporation for Research and Technological Innovation;
10 and

11 (5) provide assistance to individual inventors and
12 small-sized enterprises and to assure the speedy
13 conversion of outdated facilities through the activities
14 of the National Corporation for Research and
15 Technological Innovation.

16 TITLE II--ASSISTANCE TO POSTSECONDARY EDUCATIONAL
17 INSTITUTIONS

18 Part A--Establishment of Postsecondary Educational Technology
19 Development Board

20 ESTABLISHMENT OF THE BOARD

21 Sec. 201. (a) (1) There is established within the
22 Department of Education the Postsecondary Educational
23 Technology Development Board.

24 (2) The functions of the Secretary under this Act shall
25 be carried out through the Board established under this
26 section.

27 (b) The Board shall be composed of--

28 (1) five individuals appointed by the President from
29 among individuals who are representative of postsecondary
30 educational institutions;

31 (2) three individuals appointed by the President from
32 among individuals representative of industry and business
33 concerns, except that one of the individuals shall be a
34 representative of small business concerns;

1 (3) two individuals appointed by the President from
2 among individuals who have expertise in the fields of
3 science, engineering, and technology;

4 (4) one individual appointed by the President from
5 among individuals who are representative of consumer
6 interests;

7 (5) the Secretary of Education, who shall be the
8 Chair of the Board;

9 (6) the Director of the National Science Foundation,
10 who shall be the Vice Chair of the Board;

11 (7) the Director of the Office of Science and
12 Technology Policy;

13 (8) the Director of the Office of Technology
14 Assessment;

15 (9) the Assistant Secretary of Energy for Research
16 and Development;

17 (10) the Administrator of the National Aeronautics
18 and Space Administration;

19 (11) the Director of the Cooperative Research
20 Administration of the Department of Agriculture;

21 (12) the Director of the Cooperative Technology
22 Program of the Department of Commerce;

23 (13) the Administrator of the Small Business
24 Administration; and

25 (14) the Director of the Board who shall be a
26 nonvoting member.

27 (c) (1) The members of the Board who are designated under
28 clauses (5) through (14) of subsection (b) shall serve for as
29 long as they hold the cabinet, agency, or congressional
30 appointment by virtue of which they serve on the Board.

31 (2) The members of the Board appointed under clauses (1)
32 through (4) of subsection (b) shall serve for a term of five
33 years, except that--

34 (A) any member appointed to fill a vacancy occurring

1 prior to the expiration of the term for which his
2 predecessor was appointed shall be appointed for the
3 remainder of such term; and

4 (B) the members first taking office shall serve as
5 designated by the President four for a term two years,
6 four for a term of three years, and three for a term of
7 five years.

8 (d) The members of the Board shall determine the general
9 policies governing the operation of the Board.

10 (e) (1) The Board shall meet at the call of its Chair or
11 at the request of ten or more of its members, but the Board
12 shall meet at least four times in each calendar year.

13 (2) Any vacancy in the Board shall not affect its power,
14 but shall be filled in the same manner in which the original
15 appointment was made.

16 (f) (1) The members of the Board who are not otherwise
17 employed by the Federal Government shall receive compensation
18 at a rate equal to the daily rate prescribed for GS-18 of the
19 General Schedule under section 5332 of title 5, United States
20 Code, including traveltime for each day they are engaged in
21 the performance of their duties as members of the Board and
22 shall be entitled to reimbursement for travel, subsistence,
23 and other necessary expenses incurred by them in carrying out
24 functions of the Board.

25 (2) The members of the Board who are otherwise employed
26 by the Federal Government shall serve without compensation
27 but shall be reimbursed for travel, subsistence, or other
28 necessary expenses incurred by them in carrying out functions
29 of the Board.

30 FUNCTIONS OF THE BOARD

31 Sec. 202. (a) (1) The Secretary, through the Board, shall
32 make grants to postsecondary educational institutions in
33 accordance with part B of this title.

34 (2) The Secretary, through the Board, is authorized to

1 make loans to, and loan guarantees for, business concerns for
2 use by such concerns and postsecondary institutions in
3 accordance with part B of this title.

4 (3) The Secretary, through the Board, shall provide for
5 exchanges between postsecondary educational institutions and
6 business concerns in accordance with the provisions of part
7 B.

8 (4) The Secretary, through the Board, shall provide for
9 the carrying out of the patent and recoupment provisions
10 provided in part D of this title.

11 (b) The Secretary may delegate to the Board such other
12 functions as the Secretary deems appropriate.

13 (c) In carrying out its functions under this Act the
14 Secretary shall provide for regular and frequent consultation
15 between the Board and the National Corporation for Research
16 and Technological Innovation.

17 (d) The Secretary shall prescribe procedures for and
18 assure coordination between programs and activities of the
19 Board under this Act and all related programs and activities
20 of other Federal agencies. To the extent authorized by law
21 the Secretary shall promote joint sponsorship of programs and
22 activities by the Board and the head of each appropriate
23 Federal agency.

24 OFFICERS

25 Sec. 203. (a) There shall be a Director of the Board who
26 shall be appointed by the President by and with the advice
27 and consent of the Senate. In making such appointment the
28 President shall give due consideration to the recommendations
29 of the Board.

30 (b) There shall be a Deputy Director of the Board who
31 shall be appointed by the President by and with the advice
32 and consent of the Senate. In making such appointment the
33 President shall give due consideration to the recommendations
34 of the Board. The Deputy Director shall perform such

1 functions as the Director with the approval of the Secretary
2 and the Board may prescribe, and may be Acting Director
3 during the absence or disability of the Director or in the
4 event of a vacancy in the office of the Director.

5 ADMINISTRATIVE PROVISIONS

6 Sec. 204. (a) In order to carry out the functions set
7 forth in this Act, the Secretary is authorized to--

8 (1) prescribe such regulations as the Secretary deems
9 necessary to carry out the provisions of this Act;

10 (2) appoint and fix the compensation of such
11 personnel as may be necessary to carry out the provisions
12 of this Act;

13 (3) receive money and other property donated,
14 bequeathed or devised, without condition or restriction
15 other than that it will be used for the purposes of the
16 Board, and to use, sell, and otherwise dispose of such
17 property for the purpose of carrying out the functions of
18 the Board under this Act;

19 (4) receive, and use, sell, or otherwise dispose of,
20 in accordance with paragraph (3) money and other property
21 donated, bequeathed, or devised to the Board with a
22 condition or restriction including a condition that the
23 Secretary use other funds of the Board for the purpose of
24 the gift;

25 (5) conduct such planning studies and hold such
26 hearings as may be required to carry out the provisions
27 of this Act, and administer oaths for the purpose of
28 taking evidence in any such hearings;

29 (6) secure from any Federal agency, including any
30 independent establishment or instrumentality of the
31 United States, or from any State or political subdivision
32 thereof, information, estimates and statistics required
33 in the performance of the functions of the Secretary
34 under this Act;

1 (7) obtain the services of experts and consultants in
2 accordance with the provisions of section 3109 of title
3 5, United States Code;

4 (8) accept and utilize the services of voluntary and
5 noncompensated personnel and reimburse them for travel
6 expenses, including per diem as authorized by section
7 5703 of title 5, United States Code;

8 (9) enter into contracts, grants, agreements, or
9 other arrangements, or modifications thereof, as may be
10 necessary to carry out the provisions of this Act;

11 (10) provide for the making of such reports
12 (including fund accounting reports) and the filing of
13 such applications in such form and containing such
14 information as the Secretary may reasonably require; and

15 (11) make advances, progress, transfer and other
16 payments which the Secretary deems necessary to carry out
17 the provisions of this title without regard to the
18 provisions of section 3648 of the Revised Statutes, as
19 amended (31 U.S.C. 529).

20 (b) In addition to any authority contained in subsection
21 (a) of this section, the Secretary, in the performance of any
22 function under part B of this title relating to loans and
23 loan guarantees, is authorized to--

24 (1) sue and be sued in any court of record of a State
25 having general jurisdiction or in any district court of
26 the United States, and such district courts shall have
27 jurisdiction of civil actions arising under the Act
28 without regard to the amount in controversy, and action
29 instituted under this subsection by or against the
30 Secretary shall survive notwithstanding any change in the
31 person occupying the office of Secretary or any vacancy
32 in that office; but no attachment, injunction,
33 garnishment, or other similar process, mesne or final,
34 shall be issued against the Secretary or property under

1 his control, and nothing herein shall be construed to
2 except litigation arising out of activities under this
3 part from the application of section 509, 517, 547, and
4 2679 of title 28 of the United States Code;

5 (2) foreclose on any property or commence any action
6 to protect or enforce any right conferred upon him by any
7 law, contract, or other agreement, and bid for and
8 purchase at any foreclosure or any other sale any
9 property in connection with which the Secretary has made
10 a loan pursuant to part B; and, in the event of any such
11 acquisition (and notwithstanding any other provisions of
12 law relating to the acquisition, handling, or disposal of
13 real property by the United States), complete,
14 administer, remodel and convert, dispose of, lease, and
15 otherwise deal with, such property; except that (A) such
16 action shall not preclude any other action by the
17 Secretary to recover any deficiency in the amounts loaned
18 and (B) any such acquisition of real property shall not
19 deprive any State or political subdivision thereof of its
20 civil or criminal jurisdiction in and over such property
21 or impair the civil rights under the State or local laws
22 of the inhabitants on such property;

23 (3) sell or exchange at public or private sale, or
24 lease, real or personal property, and sell or exchange
25 any securities or obligations, upon such terms as the
26 Secretary may fix;

27 (4) subject to the specific limitations in this
28 title, consent to the modification, with respect to the
29 rate of interest, time of payment of any installment of
30 principal or interest, security, or any other term of any
31 contract or agreement to which the Secretary is a party
32 or which has been transferred to the Secretary pursuant
33 to this section including the granting of a temporary
34 moratorium on the repayment of principal or interest or

1 both to any borrower the Secretary finds to be
2 temporarily unable to make such repayment without undue
3 financial hardship, if such borrower presents, and the
4 Secretary approves, a specific plan to make such
5 repayment including a schedule for such repayment; and

6 (5) include in any contract, agreement, or instrument
7 made pursuant to this title such other covenants,
8 conditions, or provisions including provisions designed
9 to assure that the purpose of this title will be
10 achieved.

11 (c) Each such Federal agency, independent establishment
12 or instrumentality is authorized and directed to furnish such
13 information, estimates, and statistics directly to the Board
14 upon written request made by the Administrator.

15 BOARD AS ADMINISTERING AGENT OF JOINT PROJECTS

16 Sec. 205. Whenever any project is carried out jointly
17 under this Act with any other Federal agency the President
18 shall, notwithstanding any other provision of law, designate
19 the Secretary as the administering agent for the project.

20 REVOLVING LOAN AND GUARANTEE FUND FOR RESEARCH AND TECHNOLOGY

21 DEVELOPMENT

22 Sec. 206. (a) There is created with the Treasury a
23 separate fund for loans and loan guarantees made under part B
24 of this title which shall be available to the Secretary
25 without fiscal year limitation as a revolving fund for the
26 purpose of making loans and loan guarantees under part B of
27 this title. The total of any loans and loan guarantees made
28 from the fund in any fiscal year shall not exceed limitations
29 specified in part C of this title.

30 (b) (1) The Secretary shall transfer to the fund amounts
31 made available pursuant to the transfer of funds provision
32 under section 241 (b) of this title for loans and loan
33 guarantees, and all sums received as recoupment of
34 investments under part D of this title and available for

1 sections 225 and 226. All amounts received by the Secretary
2 as interest payments or repayments of principal on loans
3 reserved under section 422 (b) of this Act and any other
4 moneys, property, or assets derived by the Secretary from the
5 operations in connection with section 225 or 226 of part B,
6 including any moneys derived directly or indirectly from the
7 sale of assets, or beneficial interests or participations in
8 assets of the fund, shall be deposited in the fund.

9 (2) All loans, expenses, and payments pursuant to the
10 operation of the Secretary under section 225 and 226 of this
11 part shall be paid from the fund.

12 (c) Moneys in the fund unneeded for current operations
13 under section 225 or 226, or both, may be invested in bonds
14 or other obligations guaranteed as to principal and interest
15 by the United States.

16 Part B--Financial Assistance to Postsecondary Educational
17 Institutions

18 ELIGIBILITY AND DISTRIBUTION

19 Sec. 221. (a) Financial assistance may be provided under
20 this title only to postsecondary educational institutions
21 which are--

22 (1) institutions of higher education as defined in
23 section 1201 (a) of the Higher Education Act of 1965, or

24 (2) eligible institutions as defined in section 435
25 (a) of the Higher Education Act of 1965, including
26 vocational schools as defined in section 435 (c) of that
27 Act.

28 (b) Financial assistance may be provided under sections
29 223, 224, 225, 226, and 228 of this title to business
30 concerns, labor organizations, nonprofit and not-for-profit
31 private organizations, and State or local public agencies
32 only if the application for such assistance is accompanied by
33 a contract between the business concern, labor organization,
34 nonprofit or not-for-profit private organization or public

1 agency and a postsecondary educational institution eligible
2 for assistance under subsection (a) of this section
3 containing provisions designed to carry out the provisions of
4 such sections.

5 (c) No financial assistance may be provided under this
6 title unless the postsecondary educational institution,
7 business concern, labor organization, nonprofit or not-for-
8 profit organization, or public agency, as the case may be,
9 enters into an assistance agreement in accordance with part D
10 of this title.

11 (d) The Secretary shall establish criteria designed to
12 assure an equitable distribution of assistance under this
13 part based upon--

- 14 (1) the relative population of the States;
15 (2) types of postsecondary educational institution;
16 and
17 (3) the location of postsecondary educational
18 institutions by region of the United States, and by
19 urban, suburban, and rural areas.

20 GRANTS TO POSTSECONDARY EDUCATIONAL INSTITUTIONS

21 Sec. 222. (a) From funds transferred pursuant to section
22 241 and available pursuant to section 242 (a), the Secretary
23 shall make grants to postsecondary educational institutions
24 to conduct research relating to new inventions, productivity,
25 development of new technology, the application of technology
26 to the improvement of educational services, to the delivery
27 of public services and to commercial enterprise, and the
28 dissemination of the product of research undertaken with
29 assistance made under this section.

30 (b) No grant may be made to a postsecondary educational
31 institution unless--

- 32 (1) the institution will maintain instructional
33 research and community service programs carried out prior
34 to the assistance made under this section in the subject

1 areas covered by the grant during the period for which
2 the grant is made; and

3 (2) the assistance made under this section will not
4 be used by the institution to support or substitute
5 instructional research or community service programs of
6 the institution carried out prior to the assistance made
7 under this section during the period for which the grant
8 is made.

9 (c) To the extent practicable the Secretary shall make
10 grants for a period of five fiscal years under this section,
11 unless the project for which financial assistance is made can
12 be completed in a period less than five years and then for a
13 period which is required to complete the project.

14 (d) (1) Financial assistance made under this section to
15 any single postsecondary educational institution for five
16 fiscal years may not exceed \$1,000,000.

17 (2) Financial assistance made under this section to any
18 single postsecondary educational institution for four fiscal
19 years may not exceed \$800,000.

20 (3) Financial assistance made under this section to any
21 single postsecondary educational institution for three fiscal
22 years may not exceed \$600,000.

23 (4) Financial assistance made under this section to any
24 single postsecondary educational institution for two fiscal
25 years may not exceed \$400,000.

26 (5) Financial assistance made under this section to any
27 single postsecondary educational institution for one fiscal
28 year may not exceed \$200,000.

29 (e) In making grants under this section, the Secretary
30 shall give priority to applications from postsecondary
31 educational institutions which describe a project under which
32 contributions will be made from more than one discipline
33 available at that institution or available pursuant to an
34 agreement between that institution and another postsecondary

1 educational institution.

2 GRANTS TO POSTSECONDARY EDUCATIONAL INSTITUTIONS FOR JOINT
3 PROJECTS

4 Sec. 223. (a) From funds transferred pursuant to section
5 241 and available pursuant to section 242 (a), the Secretary
6 shall make grants to postsecondary educational institutions
7 for the conduct of joint projects for research and the
8 development of new technologies including but not limited
9 to--

10 [TO BE SUPPLIED]

11 (b) No grant made be made under this section unless the
12 application submitted by the postsecondary educational
13 institution is accompanied by a contract between that
14 institution and a business concern, a labor organization, a
15 nonprofit or not-for-profit private organization, or a public
16 agency. Each such application shall contain provisions
17 which--

18 (1) describe the project for which assistance is
19 sought under this section; and

20 (2) assure that the business, labor organization,
21 private organization, or public agency will comply with
22 the applicable provisions of Federal law relating to
23 procurement and the provisions of this Act relating to
24 patents and recoupment under part D of this title.

25 (c) To the extent practicable the Secretary shall make
26 grants for a period of five years under this section, unless
27 the project for which financial assistance is made can be
28 completed in a period less than five years and then for a
29 period which is required to complete the project.

30 (d) (1) Financial assistance made under this section to
31 any single postsecondary educational institution for five

1 fiscal years may not exceed \$1,000,000.

2 (2) Financial assistance made under this section to any
3 single postsecondary educational institution for four fiscal
4 years may not exceed \$800,000.

5 (3) Financial assistance made under this section to any
6 single postsecondary educational institution for three fiscal
7 years may not exceed \$600,000.

8 (4) Financial assistance made under this section to any
9 single postsecondary educational institution for two fiscal
10 years may not exceed \$400,000.

11 (5) Financial assistance made under this section to any
12 single postsecondary educational institution for one fiscal
13 year may not exceed \$200,000.

14 (e) (1) In making grants under this section, the
15 Secretary shall give priority to applications from
16 postsecondary educational institutions which describe a
17 project under which contributions will be made from more than
18 one discipline available at that institution or available
19 pursuant to an agreement between that institution and another
20 postsecondary educational institution.

21 (2) In making grants under this section, the Secretary
22 shall also give priority to applications from postsecondary
23 educational institutions which--

24 (A) demonstrate that the institution will share
25 personnel, facilities, and equipment with the business
26 concern, labor organization, nonprofit or not-for-profit
27 private organization, or public agency concerned, or any
28 of the eligible contractees with which the institution
29 has a contract to carry out the proposed project; and

30 (B) demonstrate that the curricula or instructional
31 materials of the postsecondary educational institution
32 will be enhanced by the conduct of the proposed project.

33 CHALLENGE TECHNOLOGY DEVELOPMENT GRANTS

34 Sec. 224. (a) From funds transferred pursuant to section

1 241 and available under section 242 (a) and from funds
2 appropriated pursuant to section 421 (a), the Secretary is
3 authorized to make grants to postsecondary educational
4 institutions, in accordance with the provisions of this
5 section, for the purpose of enabling the institution to carry
6 out a research or technology development project which--

7 (1) is assisted by a private business concern, a
8 labor organization, a nonprofit or not-for-profit private
9 organization, or a public agency from sources other than
10 Federal financial assistance; and

11 (2) will contribute to carrying out the purposes of
12 this Act.

13 (b) (1) The total amount of any financial assistance made
14 under this section for any project may not exceed 25 per
15 centum of the cost of the project in any fiscal year.

16 (2) Financial assistance in any fiscal year to any single
17 institution of higher education may not exceed \$100,000. No
18 grant may be made under the provisions of this section for
19 more than a period of five years.

20 (c) In making grants under this section, the Secretary
21 shall consider--

22 (1) the extent to which the proposed project of the
23 postsecondary educational institution results in sharing
24 of personnel, facilities, and equipment of that
25 institution and the collaborating business concern, labor
26 organization, private organization, or public agency; and

27 (2) the extent to which the proposed project will
28 result in the enhancement of the course of instruction
29 offered by that institution.

30 LOANS TO BUSINESS CONCERNS FOR JOINT USE

31 Sec. 225. (a) From sums transferred pursuant to section
32 241 and available under section 242 (b), the Secretary is
33 authorized to make loans to business concerns for the conduct
34 of research or technology development projects under which

1 the business concern and a postsecondary educational
2 institution through the provision of personnel, facilities,
3 or equipment jointly participate in the conduct of the
4 project.

5 (b) No loan may be made under the provisions of this
6 section unless the Secretary determines that--

7 (1) a loan cannot be obtained from other sources upon
8 terms and conditions substantially as favorable as the
9 terms and conditions applicable to loans under this
10 section;

11 (2) the business concern will submit an application
12 together with a contract with a postsecondary educational
13 institution describing the project for which the loan is
14 sought;

15 (3) the loan will be made for a period not to exceed
16 five years;

17 (4) repayment of the loan will begin in the third
18 year of the operation of the project and the repayment
19 period will not exceed seven years;

20 (5) the interest rate on the unpaid principal balance
21 of the loan will be set by the Secretary after
22 consultation with the Secretary of the Treasury at a rate
23 equal to the rate of return established for 91-day
24 Treasury bills for the most recent calendar quarter
25 preceding the date on which the loan is made; and

26 (6) there is reasonable assurance that the loan will
27 be repaid.

28 (c) No loan may be made under the provisions of this
29 section to any single project in excess of \$2,000,000.

30 LOAN GUARANTEES TO BUSINESS CONCERNS FOR JOINT USE

31 Sec. 226. (a) From sums transferred pursuant to section
32 241 and available under section 242 (b), the Secretary is
33 authorized to guarantee, and to make commitments to
34 guarantee, lenders against loss of principal or interest on

1 loans that meet the requirements of subsections (b) and (c)
2 of this section.

3 (b) A loan may be guaranteed by the Secretary only if--

4 (1) the loan is made by a private lender to a
5 business concern;

6 (2) the loan is needed to enable the borrower
7 business concern to carry out a research or technology
8 development project jointly with an institution of
9 postsecondary education;

10 (3) the borrower cannot otherwise obtain financing
11 for the proposed project without the loan guarantee made
12 under this section;

13 (4) the business concern will submit an application
14 together with a contract with a postsecondary educational
15 institution describing the project for which the loan
16 guarantee is sought;

17 (5) the proposed project described in the application
18 required by clause (3) will result in the sharing of
19 personnel, facilities or equipment between the business
20 concern and the institution of postsecondary education;

21 (6) the application described in clause (3) provides
22 assurances that the project will enhance the course of
23 instruction offered by the postsecondary educational
24 institution subject to the contract described in that
25 clause;

26 (7) the repayment period of the loan will not exceed
27 ten years;

28 (8) the interest rate of the unpaid principal balance
29 of the loan does not exceed a rate equal to the discount
30 rate set by the Board of Governors of the Federal Reserve
31 for member banks of the Federal Reserve plus three per
32 centum;

33 (9) the private lender and the business concern agree
34 to pay a guarantee fee determined by the Secretary but

1 not in excess of one-half of one per centum, each, for
2 the lender and the concern, of the unpaid balance of the
3 loan for each year; and

4 (10) there is reasonable assurance of repayment of
5 the loan by the business concern.

6 (c) No loan guarantee may be entered into under the
7 provisions of this section for any single project in excess
8 of \$5,000,000.

9 GRANTS TO POSTSECONDARY EDUCATIONAL INSTITUTIONS FOR
10 EQUIPMENT AND FACILITIES

11 Sec. 227. (a) From funds transferred pursuant to section
12 241 and available under section 242 (a), and from funds
13 appropriated pursuant to section 421 (b), the Secretary is
14 authorized to make grants to postsecondary educational
15 institutions for the purpose of improving research facilities
16 and acquiring equipment necessary for the conduct of research
17 and the development of new technology.

18 (b) No grant may be made under the provisions of this
19 section for the construction of facilities but only for the
20 repair and renovation of facilities.

21 (c) From the sums described in subsection (a), the
22 Secretary shall reserve 25 per centum of such funds in each
23 fiscal year for grants to postsecondary educational
24 institutions offering vocational education.

25 (d) Financial assistance to any single postsecondary
26 educational institution made under the provisions of this
27 section may not exceed \$500,000 for a five year fiscal
28 period.

29 POSTSECONDARY EDUCATIONAL INSTITUTION AND CORPORATE EXCHANGES

30 Sec. 228. (a) From the funds transferred pursuant to
31 section 241 and available under section 242 (a), the
32 Secretary is authorized to provide technical assistance and
33 to make grants to postsecondary educational institutions and
34 business concerns for the exchange of personnel who are

1 engaged or who expect to engage in activities relating to
2 research designed to develop new technologies and the
3 application of new technology to improving educational
4 services or public services, or to the marketplace, in
5 accordance with the provisions of this section.

6 (b) The Secretary shall make technical assistance
7 available to postsecondary educational institutions and to
8 business concerns to encourage proposals for exchanges of
9 personnel under this section.

10 (c) No grant may be made for personnel exchanges under
11 this section unless--

12 (1) a joint application is made by the postsecondary
13 educational institution and the business concerned
14 describing the personnel exchange for which assistance is
15 sought;

16 (2) the Secretary determines that the proposal for
17 personnel exchanged between the institution and the
18 business concern is necessary in order to facilitate a
19 project involving research for the development of new
20 technology or the application of new technology to
21 educational services or to the marketplace which is
22 unlikely to be undertaken without such an exchange; and

23 (3) the Secretary determines that the personnel
24 exchange will enhance the course of instruction at the
25 institution.

26 (d) No grant may be made for personnel exchange under the
27 provisions of this section for a period in excess of
28 years.

29 USES OF FUNDS

30 Sec. 229. (a) Whenever the Secretary determines that it
31 is necessary funds made available pursuant to a grant or
32 contract under the provisions of this part (other than funds
33 made available under the provisions of sections 225 and 226
34 of this Act with respect to loans and loan guarantees), may

1 be used for--

2 (1) compensation, travel and related expenses for
3 personnel of postsecondary educational institutions,
4 including graduate and professional students and research
5 assistants when necessarily employed as staff members for
6 any project for which assistance is sought;

7 (2) compensation for undergraduate students
8 necessarily employed to carry out the project for which
9 assistance is sought, subject to the provisions of
10 subsection (c) of this section; and

11 (3) the rental of space and the provision of
12 necessary office supplies.

13 (b) (1) No funds may be used to support directly or
14 indirectly courses of instruction unrelated to the project
15 for which assistance is sought.

16 (2) No funds may be used to support directly or
17 indirectly employment of any personnel, students or
18 otherwise, for any period in excess of the period approved in
19 the application for assistance under the appropriate
20 provision of this title.

21 (c) No funds may be used for the compensation of
22 undergraduate students unless the application for assistance
23 contains provisions designed to assure that procedures used
24 under the project for which assistance is sought and the
25 evaluation of the work performed by such students is
26 conducted in a manner consistent with the provisions of title
27 VIII of the Higher Education Act of 1965.

28 APPLICATIONS

29 Sec. 230. No financial assistance may be made under the
30 provisions of this part (other than loans and loan guarantees
31 pursuant to section 225 or 226) unless an application is
32 submitted to the Secretary at such time, in such manner, and
33 containing or accompanied by such information as the
34 Secretary shall prescribe. Each such application shall--

1 (1) provide for efficient methods of administration
2 for the project for which application is made;

3 (2) make provision for such fiscal control and fund
4 accounting procedures as may be necessary to assure
5 proper disbursement of, and accounting for, Federal funds
6 paid to the applicant under the application;

7 (3) provide for making such reports as the Secretary
8 may reasonably require; and

9 (4) be accompanied by the contract required for
10 eligibility under section 221 (a) of this title.

11 PEER REVIEW PROVISIONS

12 Sec. 231. (a) Whenever the Secretary determines that
13 efficient administration of the provisions of this part
14 require the appointment of peer review panels to examine
15 applications containing proposals for assistance under this
16 part the Secretary is authorized to appoint peer review
17 panels to evaluate the proposal contained in the application
18 and to recommend additional procedures, if the panel
19 determines that such additional procedures are necessary, for
20 the conduct of the project described in the application.

21 (b) Each panel established under subsection (a) of this
22 section shall be composed of not more than members.

23 (c) Each member of the panel appointed under subsection
24 (a) of this section who is not an officer or employee of the
25 Federal Government shall receive compensation in an amount
26 equal to the maximum daily rate prescribed for GS-16 of the
27 General Schedule under section 5332 of title 5, United States
28 Code, for each day the member is engaged in actual
29 performance of duties, including traveltime, as a member of
30 the panel. All members shall be reimbursed for travel,
31 subsistence, and necessary expenses incurred in the
32 performance of their duties.

33 Part C--Transfer of Funds from the National Corporation for
34 Research and Technological Innovation

TRANSFER OF FUNDS

1

2 Sec. 241. (a) From funds available from any source
3 exclusive of revenues paid to the Corporation, the National
4 Corporation for Research and Technological Innovation,
5 established under title III of this Act, shall transfer funds
6 to the Secretary of Education for use by the Postsecondary
7 Educational Technology Development Board in each fiscal year
8 until the Corporation has transferred in the aggregate
9 \$1,000,000,000.

10 (b) In each fiscal year in which the National Corporation
11 for Research and Technological Innovation has revenues in
12 excess of \$, the Corporation shall transfer one-
13 third of the total revenues received in that fiscal year to
14 the Secretary of Education for use by the Postsecondary
15 Educational Technology Board in carrying out part B of this
16 title.

USE OF TRANSFERRED FUNDS

17
18 Sec. 242. (a) (1) From the funds transferred pursuant to
19 section 241 (a) of this Act, the Secretary shall reserve one-
20 third of such funds in each fiscal year, but not exceeding
21 \$333,000,000 in the aggregate, for the purpose of carrying
22 out the provisions of sections 222, 223, 224, 227, and 228 of
23 part B of this title.

24 (2) The Secretary shall make available the funds
25 transferred under section 241 (b) for the purpose of carrying
26 out the provisions of part B of title II for each fiscal year
27 ending prior to October 1, 1985.

28 (b) From funds transferred under section 241 (a) of this
29 title, the Secretary shall reserve the remaining two-thirds
30 of such funds for each fiscal year, but not exceed
31 \$667,000,000 in the aggregate, for the purpose of carrying
32 out sections 225 and 226 of this Act.

LIMITATIONS ON THE USE OF TRANSFERRED FUNDS

33
34 Sec. 243. (a) From the sums transferred under section 241

1 and made available for use under section 242 (a) of this
2 title, not more than--

- 3 (1) \$ for fiscal year 1982,
- 4 (2) \$ for fiscal year 1983,
- 5 (3) \$ for fiscal year 1984, and
- 6 (4) \$ for fiscal year 1985,

7 shall be available to carry out the provisions of section 222
8 relating to grants to postsecondary educational institutions.

9 (b) From the sums transferred under section 241 and made
10 available for use under section 242 (a) of this title, not
11 more than--

- 12 (1) \$ for fiscal year 1982,
- 13 (2) \$ for fiscal year 1983,
- 14 (3) \$ for fiscal year 1984, and
- 15 (4) \$ for fiscal year 1985,

16 shall be available to carry out the provisions of section 223
17 relating to grants to postsecondary educational institutions
18 for joint projects.

19 (c) From the sums transferred under section 241 and made
20 available for use under section 242 (a) of this title, not
21 more than--

- 22 (1) \$ for fiscal year 1982,
- 23 (2) \$ for fiscal year 1983,
- 24 (3) \$ for fiscal year 1984, and
- 25 (4) \$ for fiscal year 1985,

26 shall be available to carry out the provisions of section 224
27 relating to challenged technology development grants.

28 (d) From the sums transferred under section 241 and made
29 available for use under section 242 (a) of this title, not
30 more than--

- 31 (1) \$ for fiscal year 1982,
- 32 (2) \$ for fiscal year 1983,
- 33 (3) \$ for fiscal year 1984, and
- 34 (4) \$ for fiscal year 1985,

1 shall be available to carry out the provisions of section 227
 2 relating to grants to postsecondary educational institutions
 3 for equipment and facilities.

4 (e) From the sums transferred under section 241 and made
 5 available for use under section 242 (a) of this title, not
 6 more than--

- 7 (1) \$ for fiscal year 1982,
- 8 (2) \$ for fiscal year 1983,
- 9 (3) \$ for fiscal year 1984, and
- 10 (4) \$ for fiscal year 1985,

11 shall be available to carry out the provisions of section 228
 12 relating to postsecondary educational institution and
 13 corporate exchanges.

14 AVAILABILITY OF TRANSFERRED FUNDS

15 Sec. 244. Funds transferred under the provision of this
 16 part shall be available until expended.

17 Part D--Patent Policy and Recoupment

18 POLICY

19 Sec. 251. It is the policy of the Congress to use the
 20 patent system--

21 (1) to promote the utilization of inventions arising
 22 from federally supported research and technology
 23 development authorized by this Act,

24 (2) to encourage maximum joint participation by
 25 postsecondary educational institutions and business
 26 firms, labor organizations, nonprofit and not-for-profit
 27 private organizations, and public agencies in research
 28 and technology development projects assisted under this
 29 Act,

30 (3) to promote collaboration between postsecondary
 31 educational institutions and business concerns, labor
 32 organizations, nonprofit and not-for-profit private
 33 organizations, and public agencies,

34 (4) to insure that inventions made by postsecondary

1 educational institutions and business firms, labor
2 organizations, nonprofit and not-for-profit private
3 organizations, and public agencies with funds made
4 available under this title are used in a manner to
5 promote free competition and enterprise, and

6 (5) to ensure that the Federal Government obtains
7 sufficient rights in inventions supported under the
8 provisions of this Act.

9 DEFINITIONS

10 Sec. 252. As used in this part--

11 (1) the term "assistance agreement" means any
12 contract, grant, or cooperative agreement entered into
13 between the Department of Education and any postsecondary
14 educational institution and any business concern, labor
15 organization, nonprofit or not-for-profit private
16 organization or public agency for the performance of
17 research or technological development projects assisted
18 in whole or in part under the provisions of part B of
19 this title, and such term includes any assignment,
20 substitution of parties, or subcontract of any type
21 entered into for the performance of such project under an
22 assistance agreement;

23 (2) the term "contractor" means any person that is
24 a party to an assistance agreement;

25 (3) the term "invention" means any invention or
26 discovery which is or may be patentable or otherwise
27 protectable under this part;

28 (4) the term "subject invention" means any
29 invention of the contract or conceived or first actually
30 reduced to practice in the performance of a project under
31 an assistance agreement;

32 (5) the term "practical application" means to
33 manufacture in the case of a composition or product, to
34 practice in the case of a process or method, or to

1 within such time.

2 (2) A requirement that the contractor make an
3 election to retain title to any subject invention within
4 a reasonable time after disclosure and that the Federal
5 Government may receive title to any subject invention in
6 which the contractor does not elect to retain rights or
7 fails to elect rights within such time.

8 (3) A requirement that a contractor electing rights
9 file patent applications within reasonable times and that
10 the Federal Government may receive title to any subject
11 invention in the United States or other countries in
12 which the contractor has not filed patent applications on
13 the subject invention within such times.

14 (4) With respect to any invention in which the
15 contractor elects rights the Department of Education
16 shall have a nonexclusive, nontransferrable, irrevocable,
17 paid-up license to practice or have practice for or on
18 behalf of the United States any subject invention
19 throughout the world and may, if provided in the
20 assistance agreement, have additional rights to
21 sublicense any foreign government pursuant to an existing
22 or future treaty or agreement.

23 (5) The right of the Secretary to require periodic
24 reporting on the use or effects at obtaining use that are
25 being made by the contractor or his licensee or
26 assignees, except that any such information may be
27 treated by the Secretary as commercial and financial
28 information obtained from a person and privileged and
29 confidential and not subject to disclosure under section
30 552 of title 5, United States Code (commonly referred to
31 as the Freedom of Information Act).

32 (6) An obligation by the contractor in the event a
33 United States patent application is filed by or on its
34 behalf or by any assignee of the contractor to include

1 within the specification of such application and any
2 patent issuing thereon a statement specifying that the
3 invention was made with Government support and that the
4 Government has certain rights in the invention.

5 (7) The requirements of section 254 are met.

6 RECOUPMENT OF INVESTMENT

7 Sec. 254. (a) In order to advance the purposes of this
8 Act, and to obtain additional funds for carrying out the
9 provisions of this Act, each assistance agreement entered
10 into under this part shall contain provisions designed to
11 assure that the contractor will pay to the Secretary a
12 portion of the royalties or other income received due to the
13 exploitation of any patents or inventions obtained or
14 developed as a result of the assistance provided under part B
15 of this title.

16 (b) The percentage of the royalties paid pursuant to the
17 assistance agreement under subsection (a) of this section
18 shall be determined by an agreement between the Secretary and
19 the contractor except that--

20 (1) the contractor shall not be required to pay in
21 any year an amount exceeding 50 per centum of the
22 royalties or other income so received in that year; and

23 (2) in no event shall the United States be entitled
24 to receive an amount greater than . . . per centum of the
25 Federal assistance made available to the contractor
26 pursuant to part B of this title for any fiscal year
27 whether or not related to the assistance agreement.

28 USE OF RECEIPTS

29 Sec. 255. Notwithstanding any other provision of law,
30 from the amounts received in any fiscal year pursuant to this
31 part, the Secretary shall at the end of each fiscal year pay
32 10 per centum of such amounts to the National Corporation for
33 Research and Technological Innovation, and reserve the
34 remainder to be available without regard to the provisions of

*proportional to
fee if less
as measured
by financial
amount?
but in US
would
must be
50%*

7

1 part C of this title for use in carrying out the provisions
2 of sections 222, 223, 224, 225, 226, 227, and 228 of this
3 title.

4 Part E--Center for the Demonstration of Technology
5 Development Projects

6 CENTER ESTABLISHED

7 Sec. 261. (a) The Secretary shall, as part of the Fund
8 for the Improvement of Postsecondary Education authorized by
9 section 404 of the General Education Provisions Act,
10 establish a Center for the Demonstration of Technology
11 Development Projects.

12 (b) (1) The Center shall be headed by a Director who
13 shall be appointed by the Secretary.

14 (2) The Director shall be appointed in the excepted
15 service and shall be compensated at a rate prescribe for GS-
16 18 of the General Schedule under section 5332 of title 5,
17 United States Code.

18 FUNCTIONS OF THE CENTER

19 Sec. 262. (a) The Secretary, through the Center, shall--

20 (1) conduct an annual national conference to assess
21 the state of the development of new technology in the
22 United States;

23 (2) prepare and publish an annual assessment of the
24 development of new technology in the United States
25 together with an analysis of the relationship of
26 postsecondary educational institutions to such
27 assessment;

28 (3) establish and carry out a program of information
29 dissemination for postsecondary educational institutions
30 designed to apprise such institutions regularly of the
31 experience, achievements and current undertakings in
32 research leading to the development of new technology;
33 and

34 (4) design and carry out, either directly or by way

1 of grant, contract, or other arrangement, a program of
 2 not less than ten demonstration projects to test the
 3 desirability and feasibility of approaches of using the
 4 research capabilities of postsecondary educational
 5 institutions in the conduct of projects for the
 6 development of new technology.

7 (b) Demonstration projects designed and carried out
 8 pursuant to clause (4) of subsection (a) of this section
 9 shall be conducted in conjunction with the National Institute
 10 of Education as established under section 405 of the General
 11 Education Provisions Act. Evaluation of demonstration
 12 projects conducted under clause (4) of subsection (a) of this
 13 section shall be coordinated with similar activities
 14 conducted under part A of title IV of this Act.

15 ADMINISTRATIVE PROVISIONS

16 Sec. 263. In addition to the authority of the Secretary
 17 contained in section 204, the Secretary shall have the same
 18 powers and authority under this part as the Secretary has to
 19 conduct activities under section 404 of the General Education
 20 Provisions Act.

21 TITLE III--NATIONAL CORPORATION FOR RESEARCH AND

22 TECHNOLOGICAL INNOVATION

23 Part A--Short Title; Findings and Purpose

24 SHORT TITLE

25 Sec. 301. This title may be cited as the "National
 26 Corporation for Research and Technological Innovation Act".

27 FINDINGS AND PURPOSE

28 Sec. 302. (a) The Congress finds that--

29 (1) existing provisions for Government-sponsored
 30 research and development are inadequate and inefficient;

31 (2) coordination between governmental and private
 32 resources and incentives is necessary to provide for a
 33 systematic program of capital funding for technological
 34 development and innovation;

1 (3) basic and applied research and development, with
2 high risk and uncertain immediate payoffs but with
3 potential long-range benefits, require multiyear capital
4 needs to underwrite the financial risks to businesses,
5 governmental units, and non-profit research institutions
6 which are willing to undertake such longer range efforts
7 but unable to secure financing for their programs in the
8 present capital market or in currently funded research
9 programs;

10 (4) high-risk and long-range research and development
11 frequently yields patentable and other financially
12 remunerative results from which the Federal Government
13 can replenish, and, perhaps enlarge its future
14 investments; and

15 (5) assistance is needed for the commercialization
16 and adaption of federally developed technology.

17 (b) The purposes of this title are--

18 (1) to establish the National Corporation for
19 Research and Technological Innovation to channel
20 investment into research and the development of new
21 technology;

22 (2) to aid individual inventors and small-sized
23 enterprises in securing adequate financing to make
24 investments in research and innovation in fields critical
25 to the national needs;

26 (3) to speed the conversion of outdated facilities to
27 uses and materials that meet current needs and future
28 prospects; and

29 (4) to preserve and enhance competition, and foster
30 more balanced economic growth throughout the United
31 States.

32 Part B--National Corporation for Research and Technological
33 Innovation

34 ESTABLISHMENT OF THE CORPORATION

~~_____~~ established the National

~~_____~~ Technological Innovation as a

~~_____~~ shall be an instrumentality

~~_____~~ shall have succession until

~~_____~~ of the Corporation shall be

~~_____~~ District of Columbia. The Corporation

~~_____~~ such branch offices in appropriate

~~_____~~ as the Board of Directors of the

~~_____~~ to carry out the purposes of this

~~_____~~ shall have capital stock of

~~_____~~ the United States, payment for

~~_____~~ in whole or in part by the

~~_____~~ provided for in section 317 (a).

~~_____~~ shall have the same fiscal year as

~~_____~~ States Government.

~~_____~~ OF DIRECTORS

~~_____~~ Board of Directors of the Corporation shall be

~~_____~~ consisting of--

~~_____~~ hereafter in this title referred

~~_____~~ who shall be appointed by the

~~_____~~ the advice and consent of the

(1) ~~_____~~ the Secretary of the Treasury;

(2) ~~_____~~ the Chairman of the Board of Governors of the

~~_____~~ of the Corporation appointed under

~~_____~~ of the National Inventors Council.

~~_____~~ Board provided in paragraphs (2)

~~_____~~ officio and shall have no vote.

~~_____~~ Directors shall be three years,

1 (A) any member appointed to fill a vacancy occurring
2 prior to the expiration of the term for which his
3 predecessor was appointed shall be appointed for the
4 remainder of such term; and

5 (B) the terms of the members first taking office
6 shall begin on the date of incorporation and shall expire
7 as designated by the President at the time of
8 appointment, two at the end of one year, two at the end
9 of two years, and three at the end of three years.

10 (2) Each initial public director shall be appointed not
11 later than sixty days after the date of enactment of this
12 title. Each subsequent public director shall be appointed not
13 later than sixty calendar days after the date on which the
14 term of the predecessor who served as a public director
15 expires or the date the vacancy occurs, whichever first
16 occurs.

17 (3) A public director shall continue to serve as such
18 after the expiration of the term for which the director was
19 appointed until a qualified successor has been duly
20 appointed.

21 (4) Any vacancy in the membership of the Board shall not
22 affect the power of the remaining members of the Board to
23 carry out the functions of the Board.

24 (5) No individual may be appointed as a public director
25 who, at the time of his appointment, belongs to the same
26 political party as the political party to which three or more
27 other public directors belong.

28 (6) The President shall appoint individuals as public
29 directors who, as a result of their training, experience, and
30 attainments in science and engineering, in industry,
31 commerce, or finance, in the labor or consumer movement, or
32 in government are exceptionally well qualified to formulate,
33 recommend, supervise, and monitor plans and programs to
34 achieve the purposes of this title.

(1) (1) Each public director who is not a full-time officer or employee of the United States shall be entitled to receive compensation at a rate equal to the daily rate prescribed for Grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day (including traveltime) during which the public director is engaged in the actual performance of duties vested in the Board. Each public director who is a full-time officer or employee of the United States shall continue to receive the salary of his regular position when engaged in the performance of the duties vested in the Board.

(2) While away from their homes or regular places of business in the actual performance of duties vested in the Board, each director shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(d) (1) A Chairman and Vice Chairman of the Board shall be elected by the Board. The term of office of the Chairman and Vice Chairman shall be one year.

(2) The Board shall meet not less often than once every three months at the call of the Chairman (A) to review categories established pursuant to section 332, the recommendations of any science advisory panel established pursuant to section 333, and the operations of the Corporation, and (B) to perform the other functions of the Corporation. The Board shall meet at such other times and for such other purposes as may be set forth in a call of the Chairman or of a majority of its directors.

(3) Five directors shall constitute a quorum of the Board. Two or more directors may hold hearings authorized by the Board.

APPOINTMENT AND COMPENSATION OF OFFICERS AND EMPLOYEES

Sec. 313. (a) (1) (A) The Board shall appoint a President of the Corporation without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the political affiliation.

(B) The President of the Corporation shall be paid at an annual gross rate equal to the rate of basic pay, as in effect from time to time, for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(2) (A) The Board shall appoint such other officers of the Corporation without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5, United States Code. No such officer may receive compensation at a rate in excess of the rate prescribed for grade GS-18 of the General Schedule under section 5332 of such title.

(B) The officers of the Corporation shall serve at the pleasure of the Board and shall exercise such powers and duties as the Board may prescribe.

(b) (1) The Board shall establish personnel policies, without regard to the political affiliation of the employee or prospective employee, for the appointment, compensation, designation of duties, advancement, and dismissal of full-time employees as the Board determines necessary to carry out the provisions of this title, except that no employees shall receive compensation at a rate in excess of the rate provided for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(2) Whenever the Board determines that it is necessary to effect the purposes of this title, the personnel policies of the Board under this subsection may disregard the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and chapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

1 (c) (1) The Board may procure by contract the temporary
2 (not in excess of one year) or intermittent services of
3 experts or consultants, or organizations thereof, without
4 regard to the provisions of section 3109 of title 5, United
5 States Code. Such procurement shall be made without regard to
6 the political affiliation of such experts, consultants, or
7 organizations.

8 (2) For services procured under this subsection the Board
9 may not compensate any individual at a rate in excess of the
10 rate prescribed for grade GS-18 of the General Schedule under
11 section 5332 of title 5, United States Code. Any expert or
12 consultant to the Corporation who is a full-time paid officer
13 or employee of any agency of the United States shall serve
14 the Corporation without additional compensation, but shall
15 continue to receive the salary of the regular position when
16 assisting the Corporation. No employee of the Federal
17 Government may be paid compensation under this subsection.

18 (d) The Board may pay for all transportation and other
19 expenses actually and necessarily incurred for the purpose of
20 assisting the Corporation.

21 CONFLICT OF INTEREST

22 Sec. 314. (a) No director, officer, attorney, agent, or
23 employee of the Corporation shall in any manner, directly or
24 indirectly, participate in or benefit from deliberations upon
25 or the determination of any question affecting the personal
26 interests, the interests of his spouse or minor child or
27 children, or the interests of any corporation, partnership,
28 or association in which the director, officer, attorney,
29 agent or employee is directly or indirectly interested.

30 (b) No officer of the Corporation may receive any
31 emoluments, salary, or supplementation of his Government
32 salary from a private source as compensation for his services
33 to the Corporation.

34 (c) No director, officer, employee, or agent of the

1 Corporation may in any way use his connection with the
2 Corporation for the purpose of influencing the outcome of any
3 election, or in any way on behalf of the Corporation engage
4 in political activities, or provide financing for or assist
5 in any manner any project or facility involving any political
6 party or any candidate for public office.

7 CORPORATE POWERS

8 Sec. 315. (a) Subject to the limitations prescribed in
9 this title and subject to such terms and conditions as the
10 Board determines to be necessary to carry out the purposes of
11 this title, the Corporation is authorized--

12 (1) to adopt, alter, and use a corporate seal and
13 judicial notice shall be taken of such seal;

14 (2) to sue and be sued, complain and defend, in the
15 corporate name;

16 (3) to make contracts;

17 (4) to elect or appoint officers and agents of the
18 Corporation, and to define their duties and fix their
19 compensation;

20 (5) to make and alter such bylaws not inconsistent
21 with law as the Board determines are appropriate for the
22 administration and regulation of the affairs of the
23 Corporation;

24 (6) to issue notes, debentures, bonds, and other
25 evidences of indebtedness (hereafter in this title
26 referred to as "Corporate obligations") in such amounts
27 as the Board may determine;

28 (7) to guarantee, and to make commitments to
29 guarantee, any loan, in accordance with section 331;

30 (8) to make, and to make commitments to make, any
31 loan, in accordance with section 331;

32 (9) to charge a reasonable fee for the investigation
33 of an application for a guaranty or loan, for the
34 appraisal of properties offered as security for a loan

1 and for the issuance of a commitment to make a guaranty
2 or loan;

3 (10) to acquire, by purchase, lease, loan, gift,
4 devise, or bequest; to own, hold, improve or use; and to
5 dispose of, by sale, lease, or loan, real and personal
6 property of all kinds, or any interest therein;

7 (11) to refinance loans through other lenders where
8 such refinancing is feasible on terms reasonable to
9 borrowers;

10 (12) to request Federal, State, and local agencies
11 for assistance in evaluating proposals for guarantees and
12 loans pursuant to this title from the point of view of
13 (A) the economic and social benefits from successful
14 research or development of the type proposed, (B) the
15 likelihood of success of the proposed efforts, and (C)
16 the relative merit of the proposed effort as compared
17 with other proposals, and to reimburse such agencies for
18 expenses incurred in assisting the Corporation;

19 (13) to waive any liability on the part of any parent
20 entity owning shares in a subsidiary thereof obligated
21 under any loan or loan guarantee, where such parent
22 entity contributes technical know-how to such subsidiary
23 for consideration or otherwise in aid of research
24 assisted by the Corporation;

25 (14) to agree to waive the prior claims of the
26 Corporation in any bankruptcy or insolvency proceeding
27 and to accept subordination of its claims if the Board
28 determines that the waiver or subordination is necessary
29 in order to induce private financial institutions and
30 other sources of private financing to assist in financing
31 activities necessary to carry out the purposes of this
32 title; and

33 (15) to prescribe such rules and regulations as the
34 Board determines to be necessary to carry out the

1 provisions of this title, including rules and regulations
2 regarding confidentiality of trade secrets submitted to
3 the Board.

4 (b) The authority specified in paragraphs (3) (relating
5 to contracts), (6) (relating to indebtedness), and (8)
6 (relating to loans) may be exercised in a fiscal year only to
7 such extent or in such amounts as are provided in
8 appropriation Acts (as defined in section 105 of title 1,
9 United States Code).

10 (c) The Corporation shall have and exercise all other
11 lawful powers, not inconsistent with subsection (a),
12 necessarily or reasonably related to the establishment of a
13 corporate entity and to the exercise of its powers, purposes,
14 functions, duties, and authorized activities.

15 (d) The Corporation shall not engage in political
16 activities nor provide financing for or assist in any manner
17 any project or facility involving any political party or any
18 candidate for public office.

19 OBLIGATIONS OF THE CORPORATION

20 Sec. 316. (a) (1) The Corporation is authorized to issue
21 and to have outstanding at any one time obligations in such
22 amounts as shall be necessary to carry out its functions
23 under this title, subject to such annual limitations as may
24 be provided in an appropriation Act, except that the
25 Corporation shall not issue any such obligation without the
26 prior concurrence of the Secretary of the Treasury as to the
27 method, source, interest rate, timing, and other terms and
28 conditions of such obligation. The Secretary of the Treasury
29 may direct that any such issuance by the Corporation be sold
30 to the Department of the Treasury for its own account or to
31 the Federal Financing Bank.

32 (2) The aggregate amount of obligations authorized by
33 this section shall not exceed \$2,000,000,000.

34 (b) (1) For purposes of purchasing the obligations of the

1 Corporation pursuant to this section, the Secretary of the
2 Treasury is authorized to use as a public debt transaction
3 the proceeds from the sale of any securities hereafter issued
4 under the Second Liberty Bond Act, and the purposes for which
5 securities may be issued under the Second Liberty Bond Act
6 are extended to include such purchases. Each purchase of
7 obligations by the Secretary of the Treasury under this
8 section shall be upon such terms and conditions as to yield a
9 return at a rate not less than a rate determined by the
10 Secretary of the Treasury, taking into consideration the
11 current average yield on outstanding marketable obligations
12 of the United States of comparable maturity. Interest due on
13 obligations of the Corporation held by the Treasury may be
14 deferred, at the discretion of the Secretary, but any such
15 deferred interest shall bear interest at the rate specified
16 in this section. The Secretary of the Treasury may sell, upon
17 such terms and conditions and at such price or prices as he
18 shall determine, any of the obligations acquired by him under
19 this section. All redemptions, purchases, and sales by the
20 Secretary of the Treasury of such obligations under this
21 section shall be treated as public debt transactions of the
22 United States.

23 (2) For the purpose of the Federal Financing Bank Act,
24 the Corporation shall be an agency of the Federal Government.

25 (c) All obligations of the Corporation issued under this
26 section shall be fully and unconditionally guaranteed as to
27 principal and interest and shall constitute general
28 obligations of the United States, backed by the full faith
29 and credit of the Government of the United States of America.
30 Such guarantee shall be expressed on the face of all such
31 obligations.

32 (d) Obligations of the Corporation issued pursuant to
33 this title shall be lawful investments, and may be accepted
34 as security for all fiduciary, trust, and public funds the

1 investment or deposit of which shall be under the authority
2 or control of the United States or any officer or officers
3 thereof. All obligations issued by the Corporation pursuant
4 to this section shall be deemed to be exempt securities
5 within the meaning of laws administered by the Securities and
6 Exchange Commission, to the same extent as securities which
7 are direct obligations of, or obligations guaranteed as to
8 principal or interest by, the United States. The Corporation
9 shall, for the purposes of section 14 (b) (2) of the Federal
10 Reserve Act, be deemed to be an agency of the United States.

11 (e) In order that the Corporation may be supplied with
12 such forms of such obligations as it may need for issuance
13 under this title, the Secretary of the Treasury is authorized
14 to prepare such forms as shall be suitable and approved by
15 the Corporation, to be held in the Treasury subject to
16 delivery, upon order of the Corporation. The engraved plates,
17 dies, bed pieces, and so forth, executed in connection
18 therewith shall remain in the custody of the Secretary of the
19 Treasury. The Corporation shall reimburse the Secretary of
20 the Treasury for any expenses incurred in the preparation,
21 custody, and delivery of such obligations.

22 RELATIONSHIP WITH AND COOPERATION OF OTHER AGENCIES

23 Sec. 317. (a) The Secretary of the Treasury is authorized
24 to, and upon request of the Board shall purchase stock of the
25 Corporation in amounts designated by the Board in an amount
26 not to exceed an aggregate of \$1,000,000,000.

27 (b) The several Federal Reserve banks are authorized to
28 purchase or discount any Corporate obligation, secured or
29 unsecured, held by the Corporation.

30 (c) Each Federal department and agency shall cooperate
31 with the Corporation to the maximum extent feasible.

32 (d) The Corporation shall not finance or assist in
33 financing research which duplicates efforts being made by or
34 under the supervision of other Federal agencies, including

assisted under title II of this Act or research conducted or assisted by the Department of Energy, but the Corporation may finance or assist in financing efforts which supplement or expedite the work being done by other Federal agencies where such efforts are inadequate to carry out the purposes of this title.

(*) Whenever any other Federal agency is sponsoring or continuing research or development in a particular field, the Corporation shall consult with the head of each such agency prior to financing or assisting in financing efforts in the same field.

TAXABLE STATUS

Sec. 318. The Corporation, its property, its franchise, capital, reserves, surplus, security holdings, and other funds, and its income, shall be exempt from all taxation now or hereafter imposed by the United States or by any State or local taxing authority, except that (1) any real property and any tangible personal property of the Corporation shall be subject to Federal, State, and local taxation to the same extent according to its value as other such property is taxed, and (2) any and all Corporate obligations shall be subject both as to principal and interest to Federal, State, and local taxation to the same extent as the obligations of private corporations are taxed.

SUITS BY AND AGAINST THE CORPORATION

Sec. 319. (a) The district courts of the United States shall have jurisdiction over all suits by and against the Corporation without regard to the amount in controversy or the citizenship of the parties. The Corporation may, without bond or security, remove any action, suit, or proceeding from a State court to the United States district court for the district embracing the place where the action, suit, or proceeding is pending by following any procedure for removal now or hereafter in effect.

1 (b) Except as otherwise provided in any agreement made by
 2 the Corporation, claims of the Corporation shall have
 3 priority in all bankruptcy and insolvency proceedings to the
 4 same extent as obligations due to the United States.

5 (c) Except as otherwise provided in any agreement with
 6 the Corporation, any obligations imposed upon a party under
 7 section 315 (a) (10) of this title shall be enforceable by
 8 the Corporation against such party and also against any
 9 direct or indirect assignee or purchaser of any patent, trade
 10 secret, process, or business from any party to the agreement.

11 Part B--Procedures for Issuance and Review of Loans and Loan
 12 Guarantees

13 CONDITIONS AND PRIORITIES FOR ISSUANCE OF LOANS AND LOAN
 14 GUARANTEES

15 Sec. 331. (a) From funds not transferred to the Secretary
 16 of Education under part C of title II of this Act the
 17 Corporation shall make a loan or guarantee a loan, or make a
 18 commitment to make a loan or guarantee a loan, as authorized
 19 by clauses (7) and (8) of section 315 (a), only if--

20 (1) the loan or the loan to be guaranteed is within a
 21 category established pursuant to section 332;

22 (2) the Board is satisfied that competition among
 23 private entities will in no way be limited or precluded
 24 from the project for which the loan is made; and

25 (3) the Board has determined that there will be a
 26 continued reasonable assurance of full repayment.

27 (b) The Corporation shall guarantee, or make a commitment
 28 to guarantee, a loan as authorized by section 315 (a) (7),
 29 only if--

30 (1) the guarantee does not exceed 90 per centum of
 31 the interest and principal of the loan;

32 (2) the loan is made by a bank, savings bank, trust
 33 company, building and loan or savings and loan
 34 association, insurance company, mortgage loan company, or

1 credit union;

2 (3) the effective interest rate for the loan does not
3 exceed the Federal Reserve discount rate plus one and one
4 half per centum at any time; and

5 (4) the Board is satisfied that the financial
6 assistance applied for is necessary to encourage
7 financial participation by private lenders or investors
8 in the project for which the loan is made.

9 (c) The Corporation shall make, or make a commitment to
10 make, a loan, as authorized by section 315 (a) (8), only if--

11 (1) the loan bears interest at a rate, determined by
12 the Secretary of the Treasury, not less than the current
13 average yield, during the month preceding the commitment
14 to make the loan, on outstanding marketable interest-
15 bearing obligations of the United States of comparable
16 maturity then forming a part of the public debt, and

17 (2) the borrower is able to present evidence that the
18 borrower is unable after diligent effort to secure a loan
19 which the Corporation has offered to guarantee, as
20 authorized in section 315 (a) (7) and this section.

21 (d) In making, or making a commitment to make, any loan,
22 the Corporation may require any or all of the following:

23 (1) The Corporation be given a share in the equity of
24 the borrower.

25 (2) The loan be evidenced by debentures of the
26 borrower, convertible into nonvoting common stock or
27 other nonvoting equity interest at the option of the
28 Corporation.

29 (3) Any inventions developed as a result of efforts
30 assisted by the loan be made available to others in
31 return for reasonable royalties on terms set forth in
32 agreements with the Corporation or determined by
33 procedures set forth in such agreements.

34 (4) Any portion of royalties or other income received

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1 due to the exploitation of any patents or invention
2 obtained or developed as a result of activity assisted by
3 the loan be paid to the Corporation.

4 (5) Royalties be paid to the Corporation on income
5 derived from any processes, whether or not patented,
6 developed as a result of any efforts assisted by the
7 loan.

8 (e) (1) In addition to the conditions set forth in
9 subsections (a), (b), (c), and (d), the Corporation shall
10 require such other terms and conditions to make a loan or to
11 guarantee a loan, or to make a commitment to make a loan or
12 to guarantee a loan as it may determine to be reasonable to
13 effect the purposes of this title.

14 (2) The Corporation may approve any modification of any
15 provision of a guarantee agreement or of a commitment to
16 guarantee a loan, including the rate of interest, time of
17 payment of interest or principal, security, or any other
18 terms or conditions, upon a finding by the Board that such
19 modification is equitable, not prejudicial to the interests
20 of the United States, and has been consented to by the holder
21 of such loan.

22 (f) In making loans and guaranteeing loans, the
23 Corporation shall, consistent with the purposes of this
24 title, give preferential treatment to--

25 (1) new, small, and medium-sized business concerns
26 which can provide additional competition in industry;

27 (2) projects designed to lower the cost of energy to
28 consumers;

29 (3) projects which incorporate development of energy
30 resources with maximum protection to the environment; and

31 (4) projects designed to apply technology developed
32 with Federal assistance to the improvement of education
33 services or public services.

34 (g) No guarantee or commitment to guarantee a loan

1 entered into by the Corporation shall be terminated,
2 canceled, or otherwise revoked, except in accordance with
3 reasonable terms and conditions prescribed by the
4 Corporation. Such a guarantee or commitment to guarantee a
5 loan shall be conclusive evidence that the underlying loan is
6 in compliance with the provisions of this section and that
7 such loan has been approved and is legal as to principal,
8 interest, and other terms. Such a guarantee or commitment to
9 guarantee a loan shall be valid and incontestable in the
10 hands of a holder as of the date on which the Corporation
11 entered into the contract of guarantee or commitment to
12 guarantee, except as to fraud, duress, mutual mistake of
13 fact, or material misrepresentation by or involving such
14 holder.

15 (h) (1) If there is a default by the obligor in any
16 payment of interest or principal due under a loan guaranteed
17 by the Corporation, and such default has continued for sixty
18 days, the holder of such loan or his agents have the right to
19 demand payment of such unpaid amount from the Corporation.
20 Within such period as may be specified in the guarantee
21 agreement or related agreements, but not later than forty-
22 five days from the date of such demand, the Corporation shall
23 promptly pay to the obligee or his agent the unpaid interest
24 on, and the unpaid principal of, the loan guaranteed by the
25 Corporation as to which the obligor has defaulted, unless the
26 Board finds that there was no default by the obligor in the
27 payment of interest or principal or that such default has
28 been remedied.

29 (2) If the Corporation makes a payment under paragraph
30 (1), the Corporation shall have all rights specified in the
31 guarantee agreement or related agreements with respect to any
32 security which it held with respect to the guarantee of such
33 loan, including, but not limited to, the authority to
34 complete, maintain, operate, lease, sell, or otherwise

1 existing categories not less often than once every three
2 months.

3 (f) In approving loan guarantees and loans the Board
4 shall consider the environmental advantages and disadvantages
5 of each proposed action and shall require or obtain such
6 information as may be appropriate for that purpose and in
7 order to comply with the National Environmental Policy Act.

8 NATIONAL INVENTORS COUNCIL

9 Sec. 333. (a) The Board shall establish a National
10 Inventors Council. Such Council may establish such subsidiary
11 advisory panels and processes as it may deem necessary to
12 carry out the provisions of this title, without regard to the
13 Federal Advisory Committee Act, any other provision of law,
14 or any Executive order or regulation promulgated prior to the
15 enactment of this title.

16 (b) The Board shall determine, and may from time to time
17 alter, the size, membership, and composition of the National
18 Inventors Council but in any event, the membership of such
19 Council shall be broadly representative of the science,
20 engineering, and consumer communities and shall include
21 representatives of the National Science Foundation, the
22 Environmental Protection Agency, the Department of Energy,
23 the National Bureau of Standards of the Department of
24 Commerce, and other appropriate Federal agencies active in
25 the field of scientific research, development and
26 demonstration.

27 (c) The National Inventors Council shall periodically
28 advise the Board on the appropriateness of the categories
29 provided for in section 332, particularly with respect to the
30 environmental advantages and disadvantages of establishing
31 such categories, on the appropriateness of providing
32 conditions in the terms of guarantees and loans, and on any
33 other issues on which director might request advice in
34 carrying out their duties under this title.

1 (d) No member of the National Inventors Council or any
2 subsidiary advisory panel established thereby shall receive
3 any remuneration from the Corporation for advice other than
4 transportation and other expenses actually and necessarily
5 incurred in assisting the Corporation.

6 PUBLICATION OF CERTAIN NOTICES AND CONGRESSIONAL REVIEW OF
7 CATEGORIES AND CERTAIN LOANS, LOAN GUARANTEES, AND OTHER
8 TRANSACTIONS

9 Sec. 334. (a) The Board shall cause notice to be
10 published in the Federal Register--

11 (1) of any guarantee or loan, made or committed to be
12 made by the Corporation, which exceeds \$25,000;

13 (2) of any guarantee or loan, made or committed to be
14 made by the Corporation, to any Federal agency;

15 (3) of any determination of the Secretary of the
16 Treasury to purchase Corporate obligations in excess of
17 \$, pursuant to section 316;

18 (4) of any rules or regulations promulgated with
19 respect to applications to the Corporation for guarantees
20 or loans;

21 (5) of the proposed issuance, pursuant to section 315
22 (a) (6), of any Corporate obligations which themselves
23 exceed \$250,000,000 or which in aggregate with other
24 Corporate obligations previously issued exceed
25 \$10,000,000,000; and

26 (6) of any proposed category to be established
27 pursuant to section 332.

28 The notice of proposed issuance of any Corporate obligations
29 required by paragraph (5) shall be published at least sixty
30 days before such issuance.

31 (b) (1) Not later than sixty days after the transmittal
32 of any proposed category to the Congress pursuant to section
33 332 (d), either House of Congress may by resolution, pursuant
34 to subsection (f) of this section, disapprove the

1 establishing of any such category and the making of any
2 guarantee or loan by the Corporation within that category.

3 (2) At any time either House of Congress may by
4 resolution, as described in subsection (f), disapprove the
5 granting of further assistance by the Corporation within a
6 category previously published in the Federal Register, in
7 which event no further guarantee or loan shall be made in
8 such category unless the Board, after further public hearings
9 and after further consultation with a scientific advisory
10 panel, shall republish notice of such proposed category in
11 the Federal Register and such category shall not have been
12 disapproved by either House of Congress pursuant to paragraph
13 (1).

14 (3) Either House of Congress may, by resolution, bring to
15 the attention of the Board any area which either House
16 determines deserves consideration for establishment as a
17 category.

18 (c) No guarantee of a loan which exceeds \$5,000,000 and
19 no loan which exceeds \$5,000,000 shall be made if, within 30
20 days after publication of notice of such guarantee or loan
21 pursuant to subsection (a), either House of Congress passes a
22 resolution, pursuant to subsection (f), disapproving such
23 guarantee or loan.

24 (d) No purchase of Corporate obligations pursuant to
25 section 316 shall occur if, within 60 days after publication
26 of notice of such agreement pursuant to subsection (a),
27 either House of Congress passes a resolution, pursuant to
28 subsection (f), disapproving such purchase.

29 (e) No proposed issue of Corporate obligations described
30 in subsection (a) (5) shall occur if, within 60 days after
31 publication of notice of such issue pursuant to subsection
32 (a), either House of Congress passes a resolution pursuant to
33 subsection (f) disapproving such issue.

34 (f) For purposes of this section (other than subsection

1 (b) (3)), the provisions of section 908 and of sections 910
2 through 913 of title 5 of the United States Code shall apply,
3 and--

4 (1) all references in such sections to
5 "reorganization plan" shall be treated as referring to
6 "any matter submitted under section 334 of the
7 Postsecondary Educational Technology Development
8 Incentive Act", and

9 (2) all references in such sections to "resolution"
10 shall be treated as referring to a resolution of either
11 House of the Congress, the matter after the resolving
12 clause of which is as follows: "That the does
13 not favor the matter submitted under section 334 of the
14 Postsecondary Educational Technology Development
15 Incentive Act numbered transmitted to the Congress by
16 the President on , 19 .", the first blank
17 therein being filled with the name of the resolving House
18 and the other blank spaces therein being appropriately
19 filled.

20 Part C--Miscellaneous Provisions

21 ANNUAL REVIEW OF CORPORATE ACTIVITIES

22 Sec. 341. (a) The President of the Corporation shall
23 transmit to Congress annually a report setting forth the
24 guarantees and loans which were made by the Corporation or
25 for which commitments were made by the Corporation during the
26 preceding year, and a description of the efforts made by the
27 Corporation to carry out the purposes of this title together
28 with such recommendations, including recommendations for
29 registration, as the Corporation deems appropriate.

30 (b) Section 101 of the Government Corporation Control Act
31 (defining wholly Government-owned corporations) is amended by
32 inserting "National Corporation for Research and
33 Technological Innovation;" and "Tennessee Valley
34 Authority;".

1 (c) The Corporation, its Board, officers, and employees,
2 upon the request of the chairman of any standing, special, or
3 select committee, or any subcommittee thereof, of either
4 House of Congress, or of any joint committee of the Congress,
5 shall cooperate in the prompt furnishing of any information
6 requested concerning the activities of the Corporation.

7 AUTHORIZATION OF APPROPRIATIONS AND AVAILABILITY OF FUNDS

8 Sec. 342. (a) There is authorized to be appropriated to
9 the Secretary of the Treasury, without fiscal year
10 limitation, the sum of \$1,000,000,000 to finance the purchase
11 of corporation stock.

12 (b) There are authorized to be appropriated, without
13 fiscal year limitation, such sums as may be necessary to pay
14 the difference, if any, between the interest paid by the
15 Corporation on its obligations and the interest received by
16 the Corporation on its loans, and to reimburse the capital of
17 the Corporation to the extent of any defaults, and such
18 additional sums as may be necessary to establish and operate
19 the Corporation and otherwise carry out the purposes of this
20 title.

21 (c) All funds obtained by the Corporation under this
22 title and not transferred under part C of title II of this
23 Act shall be placed in a revolving fund which shall be
24 available to carry out the provisions of this title.

25 (d) The authorizations of appropriations provided in this
26 section shall not be effective for fiscal years beginning
27 before October 1, 1980.

28 SEX DISCRIMINATION

29 Sec. 343. (a) No person shall on the ground of sex be
30 excluded from participation in, be denied the benefits of, or
31 be subjected to discrimination under any program or activity
32 carried on or receiving Federal assistance under this title.

33 (b) The provisions of subsection (a) of this section
34 shall be enforced through agency provisions and rules similar

1 to the provisions and rules established with respect to
2 racial and other discrimination under title VI of the Civil
3 Rights Act of 1964. The remedy provided by this section shall
4 not be exclusive and shall not prejudice or deny any other
5 legal remedies available to an individual aggrieved by
6 discrimination.

7 TITLE IV--GENERAL PROVISIONS

8 Part A--National Institute of Education

9 CENTER ESTABLISHED

10 Sec. 401. (a) The Secretary shall establish within the
11 National Institute of Education authorized under section 405
12 of the General Education Provisions Act a Technology
13 Development Research Center.

14 (b) (1) The Center shall undertake such research
15 activities as the Secretary directs in order to further the
16 purposes and policy of this Act.

17 (2) [TO BE SUPPLIED]

18 REPORT TO CONGRESS

19 Sec. 402. (a) The Secretary, through the National
20 Institute of Education, shall prepare and submit to the
21 Congress annually but not later than 60 days after the end of
22 each fiscal year, a report to the Congress containing a full
23 evaluation of all financial assistance provided under title
24 II of this Act together with an evaluation of the
25 effectiveness of the patent and recoupment provisions
26 provided under part C of title II of this Act. Each such
27 report shall contain such recommendations, including
28 recommendations for legislation, as the Secretary deems
29 necessary or appropriate.

30 Part B--Financing Provisions

31 AUTHORIZATION OF APPROPRIATIONS

32 Sec. 421. (a) In addition to funds made available under
33 part C of title II of this Act, there are authorized to be
34 appropriated for the fiscal year 1981 and for each succeeding

1 fiscal year ending prior to October 1, 1985, \$100,000,000 to
2 carry out the provisions of section 224, relating to
3 challenge technology development grants.

4 (b) In addition to funds made available under part C of
5 title II of this Act, there are authorized to be appropriated
6 for the fiscal year 1981 and for each succeeding fiscal year
7 ending prior to October 1, 1985, \$50,000,000 to carry out the
8 provisions of section 227, relating to grants to
9 postsecondary educational institutions for equipment and
10 facilities.

11 (c) There are authorized to be appropriated for the
12 fiscal year 1981 and for each succeeding fiscal year ending
13 prior to October 1, 1985, such sums as may be necessary to
14 carry out part E of title II of this Act.

15 (d) There are authorized to be appropriated for the
16 fiscal year 1981 and for each succeeding fiscal year ending
17 prior to October 1, 1985, such sums as may be necessary to
18 carry out part A of this title.

19 (e) There are authorized to be appropriated for the
20 fiscal year 1981 and for each succeeding fiscal year ending
21 prior to October 1, 1985, such sums as may be necessary, but
22 not to exceed \$ _____ in any fiscal year, for
23 administrative expenses.

24 USES OF REPAYMENTS OF LOANS

25 Sec. 422. (a) Notwithstanding any other provision of law,
26 the Secretary shall reserve one-half of the sums received in
27 repayment of loans made under section 225 of this Act for
28 each fiscal year and such sums shall be available for grants
29 under section 222, 223, 224, 227, and 228 of this title in
30 subsequent fiscal years ending prior to October 1, 1985.

31 (b) Notwithstanding any other provision of law, the
32 Secretary shall reserve and use the remainder of the sums
33 received in repayment of loans made under section 225 of this
34 Act and such sums shall be available for making loans under

1 such section 225 in subsequent fiscal years ending prior to
2 October 1, 1985.

3 Part C--Miscellaneous Provisions

4 DEFINITIONS

5 Sec. 431. As used in this Act--

6 (1) The term "Board" means the Postsecondary
7 Educational Technology Development Board.

8 (2) The term "Corporation" means the National
9 Corporation for Research and Technological Innovation.

10 (3) The term "Federal agency" means any such agency
11 as defined in section 551 (1) of title 5, United States
12 Code.

13 (4) The term "nonprofit" as applied to an
14 organization or institution means a school, agency,
15 organization, or institution owned and operated by one or
16 more nonprofit corporations or associations no part of
17 the net earnings of which inures, or may lawfully inure
18 to the benefit of any private shareholder or individual.

19 (5) The term "public agency" means any State or
20 local public agency.

21 (6) The term "Secretary" means the Secretary of
22 Education.

23 (7) The term "State" means each of the several
24 States, the District of Columbia, the Commonwealth of
25 Puerto Rico, Guam, American Samoa, the Virgin Islands,
26 the government of the Northern Mariana Islands, and the
27 Trust Territory of the Pacific Islands.

28 COMPENSATION

29 Sec. 432. (a) Section 5314 of title 5, United States
30 Code, is amended by adding at the end thereof the following
31 new paragraph:

32 "(7) President, National Corporation for Research
33 and Technological Innovation."

34 (b) Section 5315 of title 5, United States Code, is

