

111TH CONGRESS
2^D SESSION

H. R. 6120

To direct the Secretary of Commerce to establish a technology deployment and early-stage business investment grant program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2010

Mr. PASTOR of Arizona introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To direct the Secretary of Commerce to establish a technology deployment and early-stage business investment grant program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Technology Deploy-
5 ment and Early-Stage Business Investment Act of 2010”.

1 **SEC. 2. TECHNOLOGY DEPLOYMENT AND EARLY-STAGE**
2 **BUSINESS INVESTMENT GRANT PROGRAM.**

3 (a) ESTABLISHMENT.—Not later than 60 days after
4 the date of enactment of this Act, the Secretary of Com-
5 merce shall establish a technology deployment and early-
6 stage business investment grant program (in this section
7 referred to as the “program”) to support the development
8 of early-stage businesses in targeted industries.

9 (b) GRANT AUTHORITY.—

10 (1) IN GENERAL.—In carrying out the program,
11 the Secretary is authorized to make grants to cov-
12 ered business accelerators.

13 (2) GRANT AMOUNTS.—

14 (A) NON-FEDERAL CAPITAL LIMITATION.—

15 A grant made to a covered business accelerator
16 under the program may not be in an amount
17 that exceeds the amount of the accelerator’s
18 capital that—

19 (i) is not from a Federal source; and

20 (ii) is available for investment and
21 business assistance services on or before
22 the date on which a grant is drawn upon.

23 (B) AGGREGATE AMOUNT LIMITATION.—

24 The aggregate amount of all grants made to a
25 covered business accelerator under the program
26 may not exceed \$5,000,000.

1 (c) GRANT AWARD PROCESS.—In making a grant
2 under the program, the Secretary shall commit a grant
3 amount to a covered business accelerator and the amount
4 of each such commitment shall remain available to be
5 drawn upon by the accelerator during the 5-year period
6 beginning on the date on which each such commitment
7 is first drawn upon.

8 (d) USE OF GRANT.—

9 (1) IN GENERAL.—A grant made under the
10 program may be used by a covered business accel-
11 erator for the following:

12 (A) Making an investment in an early-
13 stage business in a targeted industry.

14 (B) Providing training, counseling, and
15 other assistance to an early-stage business in a
16 targeted industry to support the development of
17 the business.

18 (C) Making investments in and providing
19 support to an early-stage business in a targeted
20 industry to assist the business with proof of
21 concept activities that accelerate the deployment
22 and commercialization of technology.

23 (D) Providing purchased services to an
24 early-stage business in a targeted industry.

25 (E) Conducting due diligence activities.

1 (F) Meeting operational expenses.

2 (2) LIMITATIONS.—

3 (A) PROOF OF CONCEPT ACTIVITIES.—Not
4 more than 40 percent of the amount of a grant
5 made to a covered business accelerator under
6 the program may be used by the accelerator to
7 provide assistance for proof of concept activi-
8 ties.

9 (B) PURCHASED SERVICES.—Not more
10 than 20 percent of the amount of a grant made
11 to a covered business accelerator under the pro-
12 gram may be used by the accelerator to provide
13 purchased services to an early-stage business in
14 a targeted industry.

15 (C) DUE DILIGENCE ACTIVITIES.—Not
16 more than 10 percent of the amount of a grant
17 made to a covered business accelerator under
18 the program may be used by the accelerator to
19 conduct due diligence activities.

20 (D) OPERATIONAL EXPENSES.—Not more
21 than 20 percent of the amount of a grant made
22 to a covered business accelerator under the pro-
23 gram may be used by the accelerator to meet
24 operational expenses.

1 (3) DESIGNATION OF GRANT USES.—In the ap-
2 plication of a covered business accelerator for a
3 grant under the program, the accelerator shall notify
4 the Secretary of the percentage of the grant amount
5 that will be used for each of the activities described
6 in subparagraphs (A) through (F) of paragraph (1)
7 and provide a detailed description of the activities to
8 be undertaken.

9 (e) GRANT CONDITIONS.—

10 (1) FUND MANAGER.—As a condition of receiv-
11 ing a grant under the program, a covered business
12 accelerator shall designate an individual as the fund
13 manager for the grant amount and that individual
14 shall administer and be responsible to the Secretary
15 for information with respect to the grant amounts
16 received.

17 (2) INVESTMENT REVIEW.—As a condition of
18 receiving a grant under the program, a covered busi-
19 ness accelerator shall establish an investment evalua-
20 tion process that involves not fewer than 5 individ-
21 uals (3 of whom may not be employed by or related
22 to the accelerator or an affiliate of the accelerator)
23 who shall—

24 (A) review proposals for and advise the ac-
25 celerator on the use of grant funds;

1 (B) provide letters of support and ref-
2 erence to the Secretary with respect to pro-
3 posals for the use of grant funds by the accel-
4 erator; and

5 (C) submit periodic reports to the Sec-
6 retary on the results of activities carried out
7 with grant funds.

8 (3) COLLABORATOR.—As a condition of receiv-
9 ing a grant under the program, a covered business
10 accelerator shall assign to each early-stage business
11 in a targeted industry that is assisted with grant
12 amounts a collaborator that shall be an individual or
13 organization not otherwise employed by or related to
14 the accelerator or an affiliate of the accelerator and
15 that shall assist the accelerator in providing support
16 to the business.

17 (f) FEDERAL SHARE OF ACTIVITIES.—The Federal
18 share of the cost of an activity carried out by a covered
19 business accelerator with the assistance of a grant under
20 the program shall not exceed 75 percent.

21 (g) MONITORING AND EVALUATION.—

22 (1) IN GENERAL.—The Secretary shall assess
23 the effectiveness of covered business accelerators
24 that receive a grant under the program.

1 (2) DATA FROM ACCELERATORS.—Not later
2 than one year after the date of receiving a grant
3 under the program, a covered business accelerator
4 shall provide to the Secretary information on the ac-
5 tivities of the accelerator and the businesses assisted
6 under the grant, including—

7 (A) the number of technologies that the
8 businesses have moved from proof of concept
9 activities to commercialization;

10 (B) the number of jobs created by the
11 businesses;

12 (C) the amount of taxes paid by the busi-
13 nesses and the employees of the businesses;

14 (D) the amount of private investment the
15 businesses have received; and

16 (E) other data that, as determined by the
17 Secretary, may be used to measure the value of
18 assistance under the program.

19 (h) AUTHORIZATION OF APPROPRIATIONS.—

20 (1) IN GENERAL.—There is authorized to be
21 appropriated to carry out the program—

22 (A) \$250,000,000 for the first full fiscal
23 year beginning after the date of enactment of
24 this Act; and

1 (B) such sums as may be necessary for
2 subsequent fiscal years.

3 (2) PROHIBITION ON EARMARKS.—None of the
4 funds appropriated for the program may be used for
5 a congressional earmark as defined in clause 9(e) of
6 rule XXI of the Rules of the House of Representa-
7 tives.

8 (i) DEFINITIONS.—In this Act, the following defini-
9 tions apply:

10 (1) COVERED BUSINESS ACCELERATOR.—The
11 term “covered business accelerator” means a public
12 or private not-for-profit organization, including an
13 academic institution, that—

14 (A) operates a program providing assist-
15 ance to early-stage businesses in targeted in-
16 dustries to support the development of those
17 businesses, including assistance with proof of
18 concept activities to accelerate the deployment
19 and commercialization of technology;

20 (B) has a physical location and on-site
21 management for the program described under
22 subparagraph (A); and

23 (C) has procedures for selecting businesses
24 for and graduating businesses from the pro-
25 gram described under subparagraph (A).

1 (2) DUE DILIGENCE ACTIVITIES.—The term
2 “due diligence activities” means activities under-
3 taken to analyze and assess the desirability, value,
4 and potential of an opportunity to provide assistance
5 to an early-stage business in a targeted industry, in-
6 cluding activities to analyze and assess the tech-
7 nology deployment and market potential of the busi-
8 ness.

9 (3) EARLY-STAGE BUSINESS IN A TARGETED
10 INDUSTRY.—The term “early-stage business in a
11 targeted industry” means a small business concern
12 that—

13 (A) is domiciled in a State;

14 (B) has not generated gross annual reve-
15 nues exceeding \$5,000,000 in any of the pre-
16 vious 3 years; and

17 (C) is engaged primarily in researching,
18 developing, manufacturing, producing, or bring-
19 ing to market goods or services with respect to
20 any of the following business sectors:

21 (i) Agricultural technology.

22 (ii) Energy technology.

23 (iii) Environmental technology.

24 (iv) Life science technology.

25 (v) Biotechnology.

- 1 (vi) Information technology.
- 2 (vii) Digital media.
- 3 (viii) Clean technology.
- 4 (ix) Defense technology.
- 5 (x) Photonics technology.
- 6 (xi) Electronic technology.
- 7 (xii) Semiconductor technology.
- 8 (xiii) Material science technology.
- 9 (xiv) Aerospace.
- 10 (xv) Communications.
- 11 (xvi) Transportation.

12 (4) OPERATIONAL EXPENSES.—The term
13 “operational expenses” means the costs of operating
14 a covered business accelerator, including overhead
15 and management expenses.

16 (5) PROOF OF CONCEPT ACTIVITIES.—The term
17 “proof of concept activities” means activities carried
18 out to validate and confirm the commercial viability
19 of a technology, including the generation of data,
20 prototypes, and pilot trials with respect to the tech-
21 nology.

22 (6) PURCHASED SERVICES.—The term “pur-
23 chased services” means any training, counseling, or
24 other assistance provided to an early-stage business
25 in a targeted industry that is provided by a covered

1 business accelerator through an agreement with an-
2 other entity, and not by the accelerator directly.

3 (7) SECRETARY.—The terms “Secretary” and
4 “Secretary of Commerce” mean the Secretary of
5 Commerce acting through the Assistant Secretary of
6 Commerce for Economic Development.

7 (8) SMALL BUSINESS CONCERN.—The term
8 “small business concern” has the meaning given
9 that term in section 3 of the Small Business Act (15
10 U.S.C. 632).

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