

108TH CONGRESS  
2D SESSION

# H. R. 4656

To provide for the establishment of the Nanomanufacturing Investment Partnership, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 2004

Mr. HONDA introduced the following bill; which was referred to the Committee on Science

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## A BILL

To provide for the establishment of the Nanomanufacturing Investment Partnership, 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 “Nanomanufacturing  
5 Investment Act of 2004”.

6 **SEC. 2. NANOMANUFACTURING INVESTMENT PARTNER-**  
7 **SHIP.**

8 (a) ESTABLISHMENT.—If \$250,000,000 is made  
9 available for such purposes from the private sector within  
10 2 years after the date of enactment of this Act, the Sec-

1    retary       of       Commerce       shall       establish       the  
2    Nanomanufacturing Investment Partnership, in partner-  
3    ship with such private sector investors.

4       (b) PURPOSE.—The Nanomanufacturing Investment  
5    Partnership shall provide funding for precommercial  
6    nanomanufacturing research and development projects,  
7    but not for basic research projects, through funding mech-  
8    anisms described in subsection (c) in a manner so as to  
9    advance the commercialization of nanomanufacturing  
10   technologies to address critical scientific and engineering  
11   needs of national importance, especially with respect to  
12   projects that would not be adequately funded or pursued  
13   by the private sector or pursuant to the 21st Century  
14   Nanotechnology Research and Development Act or other  
15   law, and to increase the commercial application of feder-  
16   ally supported research results. To the extent that a suffi-  
17   cient number of viable applications have been submitted,  
18   at least 85 percent of the funding provided by the  
19   Nanomanufacturing Investment Partnership under this  
20   section shall be provided to startup companies.

21       (c)           FUNDING           MECHANISMS.—The  
22    Nanomanufacturing Investment Partnership may provide  
23    funding through direct investment in nanomanufacturing  
24    firms, contracts, loans or loan guarantees, unsecured sub-

1   ordinated debt, or any other mechanism designed to ad-  
2   vance nanomanufacturing technologies.

3       (d) RETURN ON INVESTMENT.—

4           (1) REQUIREMENT.—Each transaction through  
5       which the Nanomanufacturing Investment Partner-  
6       ship provides funding under subsection (c) shall pro-  
7       vide for the return to the Nanomanufacturing In-  
8       vestment Partnership of fair and reasonable  
9       amounts resulting from the commercialization of  
10      technologies developed with the funding provided by  
11      the Nanomanufacturing Investment Partnership.

12          (2) DISTRIBUTION.—Amounts received by the  
13      Nanomanufacturing Investment Partnership pursu-  
14      ant to paragraph (1) shall be distributed as follows:

15           (A) Except as provided in subparagraph  
16           (B), amounts shall be distributed to all inves-  
17           tors in the Nanomanufacturing Investment  
18           Partnership, including the Federal Government,  
19           in proportion to their monetary contribution to  
20           the Nanomanufacturing Investment Partner-  
21           ship.

22           (B) After the total monetary investment of  
23           the Federal Government has been recovered  
24           under subparagraph (A), the Federal share of  
25           distributions under this paragraph shall be re-

1           duced to 7 percent of the proportional distribu-  
2           tion under subparagraph (A), and the remain-  
3           ing amounts shall be distributed proportionately  
4           to all non-Federal investors.

5           (e) COST SHARING.—Each applicant for funding as-  
6           sistance from the Nanomanufacturing Investment Part-  
7           nership for a project shall be required to provide a portion  
8           of the cost of the project.

9           (f) PEER REVIEW.—Each application for funding as-  
10          sistance for a project from the Nanomanufacturing Invest-  
11          ment Partnership shall be peer reviewed.

12          (g) ADMINISTRATION.—The Secretary of Commerce,  
13          based on guidance from the Advisory Board established  
14          under section 3 and on the results of peer review under  
15          subsection (f), shall make awards of funding under this  
16          Act.

17          (h) PROGRESS REPORTS.—The Nanomanufacturing  
18          Investment Partnership shall require periodic project  
19          progress reports from recipients of funding under this Act.

20       **SEC. 3. ADVISORY BOARD.**

21          (a) ESTABLISHMENT.—The Secretary of Commerce  
22          shall establish an Advisory Board to assist the Secretary  
23          in carrying out this Act, including by establishing require-  
24          ments for progress reports under section 2(h). The Advi-  
25          sory Board shall consist of—

1           (1) representatives of each investor providing  
2           more than \$10,000,000 to the Nanomanufacturing  
3           Investment Partnership, whose votes shall—

4                   (A) be distributed proportional to the size  
5                   of their investment in the Nanomanufacturing  
6                   Investment Partnership; and

7                   (B) collectively amount to 40 percent of  
8                   the votes on the Advisory Board; and

9           (2) independent experts on nanomanufacturing  
10          and finance appointed by the President from among  
11          representatives of government, industry, and aca-  
12          demia, whose votes shall collectively amount to 60  
13          percent of the votes on the Advisory Board.

14          (b) TERMS.—Members of the Advisory Board ap-  
15          pointed under subsection (a)(2) shall be appointed for 3  
16          year terms, except that the President shall make some ini-  
17          tial appointments for terms of 1 year and some for terms  
18          of 2 years, in order to ensure continuity of membership  
19          on the Advisory Board.

20       **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

21          There are authorized to be appropriated to the Sec-  
22          retary of Commerce for the Nanomanufacturing Invest-  
23          ment Partnership \$750,000,000, to remain available until  
24          expended.

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