

110TH CONGRESS  
1ST SESSION

# H. R. 4250

To provide grants and loan guarantees for the development and construction of science parks to promote the clustering of innovation through high technology activities.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 15, 2007

Mrs. WILSON of New Mexico (for herself, Ms. GIFFORDS, Mr. SPRATT, and Mr. SMITH of Texas) introduced the following bill; which was referred to the Committee on Science and Technology

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## A BILL

To provide grants and loan guarantees for the development and construction of science parks to promote the clustering of innovation through high technology activities.

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 “Building a Stronger  
5 America Act”.

6 **SEC. 2. DEVELOPMENT OF SCIENCE PARKS.**

7 (a) FINDING.—Section 2 of the Stevenson-Wydler  
8 Technology Innovation Act of 1980 (15 U.S.C. 3701) is  
9 amended by adding at the end the following:

1           “(12) It is in the best interests of the Nation  
2           to encourage the formation of science parks to pro-  
3           mote the clustering of innovation through high tech-  
4           nology activities.”.

5           (b) DEFINITION.—Section 4 of such Act (15 U.S.C.  
6 3703) is amended by adding at the end the following:

7           “(14) ‘Business or industrial park’ means a pri-  
8           marily for-profit real estate venture of businesses or  
9           industries which do not necessarily reinforce each  
10          other through supply chain or technology transfer  
11          mechanisms.

12          “(15) ‘Science park’—

13                 “(A) means a group of interrelated compa-  
14                 nies and institutions, including suppliers, serv-  
15                 ice providers, institutions of higher education,  
16                 start-up incubators, and trade associations  
17                 that—

18                         “(i) cooperate and compete with each  
19                         other;

20                         “(ii) are located in a specific area or  
21                         region that promotes real estate develop-  
22                         ment, technology transfer, and partner-  
23                         ships between such companies and institu-  
24                         tions;

1           “(B) includes a science park, research  
2           park, technology park, research and develop-  
3           ment park, research and technology park, and  
4           science and technology park; and

5           “(C) does not include a business or indus-  
6           trial park.

7           “(16) ‘Science park infrastructure’ means facili-  
8           ties that support the daily economic activity of a  
9           science park.”.

10          (c) SCIENCE PARKS.—The Stevenson-Wydler Tech-  
11          nology Innovation Act of 1980 (15 U.S.C. 3701 et seq.)  
12          is amended by adding at the end the following:

13          **“SEC. 24. SCIENCE PARKS.**

14           “(a) DEVELOPMENT OF PLANS FOR CONSTRUCTION  
15          OF SCIENCE PARKS.—

16           “(1) IN GENERAL.—The Secretary shall award  
17           grants for the development of feasibility studies and  
18           plans for the construction of new or expansion of ex-  
19           isting science parks.

20           “(2) LIMITATION ON AMOUNT OF GRANTS.—  
21           The amount of a grant awarded under this sub-  
22           section may not exceed \$750,000.

23           “(3) AWARD.—

1           “(A) COMPETITION REQUIRED.—The Sec-  
2           retary shall award any grant under this sub-  
3           section pursuant to a full and open competition.

4           “(B) GEOGRAPHIC DISPERSION.—The Sec-  
5           retary is encouraged to divide the grants award-  
6           ed under this subsection among low, medium,  
7           and high population density States.

8           “(C) ADVERTISING.—The Secretary shall  
9           advertise any competition under this paragraph  
10          in the Commerce Business Daily.

11          “(D) SELECTION CRITERIA.—The Sec-  
12          retary shall publish the criteria to be utilized in  
13          any competition under this paragraph for the  
14          selection of recipients of grants under this sub-  
15          section, which shall include requirements relat-  
16          ing to—

17                 “(i) the number of jobs to be created  
18                 at the science park each year during its  
19                 first 5 years;

20                 “(ii) the funding to be required to  
21                 construct or expand the science park dur-  
22                 ing its first 5 years;

23                 “(iii) the amount and type of cost  
24                 matching by the applicant;

1 “(iv) the types of businesses and re-  
2 search entities expected in the science park  
3 and surrounding community;

4 “(v) letters of intent by businesses  
5 and research entities to locate in the  
6 science park;

7 “(vi) the expansion capacity of the  
8 science park during a 25-year period;

9 “(vii) the quality of life at the science  
10 park for employees at the science park;

11 “(viii) the capability to attract a well  
12 trained workforce to the science park;

13 “(ix) the management of the science  
14 park;

15 “(x) expected risks in the construction  
16 and operation of the science park;

17 “(xi) risk mitigation;

18 “(xii) transportation and logistics;

19 “(xiii) physical infrastructure, includ-  
20 ing telecommunications; and

21 “(xiv) ability to collaborate with other  
22 science parks throughout the world.

23 “(4) AUTHORIZATION OF APPROPRIATIONS.—

24 There are authorized to be appropriated \$7,500,000

1 for each of the fiscal years 2008 through 2012 to  
2 carry out this subsection.

3 “(b) LOAN GUARANTEES FOR SCIENCE PARK INFRA-  
4 STRUCTURE.—

5 “(1) IN GENERAL.—The Secretary may guar-  
6 antee up to 80 percent of the loan amount for loans  
7 exceeding \$10,000,000 for projects for the construc-  
8 tion of science park infrastructure.

9 “(2) LIMITATIONS ON GUARANTEE AMOUNTS.—  
10 The maximum amount of loan principal guaranteed  
11 under this subsection may not exceed—

12 “(A) \$50,000,000 with respect to any sin-  
13 gle project; and

14 “(B) \$500,000,000 with respect to all  
15 projects.

16 “(3) SELECTION OF GUARANTEE RECIPI-  
17 ENTS.—The Secretary shall select recipients of loan  
18 guarantees under this subsection based upon the  
19 ability of the recipient to collateralize the loan  
20 amount through bonds, equity, property, and other  
21 such criteria as the Secretary shall prescribe. Enti-  
22 ties receiving a grant under subsection (a) are not  
23 eligible for a loan guarantee during the period of  
24 such grant.

1           “(4) TERMS AND CONDITIONS FOR LOAN GUAR-  
2 ANTEES.—The loans guaranteed under this sub-  
3 section shall be subject to such terms and conditions  
4 as the Secretary may prescribe, except that—

5           “(A) the final maturity of such loans made  
6 or guaranteed may not exceed the lesser of—

7           “(i) 30 years and 32 days; or

8           “(ii) 90 percent of the useful life of  
9 any physical asset to be financed by such  
10 loan;

11          “(B) a loan made or guaranteed under this  
12 subsection may not be subordinated to another  
13 debt contracted by the borrower or to any other  
14 claims against the borrowers in the case of de-  
15 fault;

16          “(C) a loan may not be guaranteed under  
17 this subsection unless the Secretary determines  
18 that the lender is responsible and that adequate  
19 provision is made for servicing the loan on rea-  
20 sonable terms and protecting the financial in-  
21 terest of the United States;

22          “(D) a loan may not be guaranteed under  
23 this subsection if—

24           “(i) the income from such loan is ex-  
25 cluded from gross income for purposes of

1 chapter 1 of the Internal Revenue Code of  
2 1986; or

3 “(ii) the guarantee provides signifi-  
4 cant collateral or security, as determined  
5 by the Secretary, for other obligations the  
6 income from which is so excluded;

7 “(E) any guarantee provided under this  
8 subsection shall be conclusive evidence that—

9 “(i) the guarantee has been properly  
10 obtained;

11 “(ii) the underlying loan qualified for  
12 such guarantee; and

13 “(iii) absent fraud or material mis-  
14 representation by the holder, the guarantee  
15 is presumed to be valid, legal, and enforce-  
16 able;

17 “(F) the Secretary shall prescribe explicit  
18 standards for use in periodically assessing the  
19 credit risk of new and existing direct loans or  
20 guaranteed loans;

21 “(G) the Secretary may not extend credit  
22 assistance unless the Secretary has determined  
23 that there is a reasonable assurance of repay-  
24 ment; and

1           “(H) new loan guarantees may not be com-  
2           mitted except to the extent that appropriations  
3           of budget authority to cover their costs are  
4           made in advance, as required under section 504  
5           of the Federal Credit Reform Act of 1990 (2  
6           U.S.C. 661c).

7           “(5) PAYMENT OF LOSSES.—

8           “(A) IN GENERAL.—If, as a result of a de-  
9           fault by a borrower under a loan guaranteed  
10          under this subsection, after the holder has  
11          made such further collection efforts and insti-  
12          tuted such enforcement proceedings as the Sec-  
13          retary may require, the Secretary determines  
14          that the holder has suffered a loss, the Sec-  
15          retary shall pay to such holder the percentage  
16          of such loss specified in the guarantee contract.  
17          Upon making any such payment, the Secretary  
18          shall be subrogated to all the rights of the re-  
19          cipient of the payment. The Secretary shall be  
20          entitled to recover from the borrower the  
21          amount of any payments made pursuant to any  
22          guarantee entered into under this section.

23          “(B) ENFORCEMENT OF RIGHTS.—The At-  
24          torney General shall take such action as may be  
25          appropriate to enforce any right accruing to the

1 United States as a result of the issuance of any  
2 guarantee under this section.

3 “(C) FORBEARANCE.—Nothing in this sec-  
4 tion may be construed to preclude any forbear-  
5 ance for the benefit of the borrower which may  
6 be agreed upon by the parties to the guaranteed  
7 loan and approved by the Secretary, if budget  
8 authority for any resulting subsidy costs (as de-  
9 fined under the Federal Credit Reform Act of  
10 1990) is available.

11 “(D) MANAGEMENT OF PROPERTY.—Not-  
12 withstanding any other provision of law relating  
13 to the acquisition, handling, or disposal of prop-  
14 erty by the United States, the Secretary may  
15 complete, recondition, reconstruct, renovate, re-  
16 pair, maintain, operate, or sell any property ac-  
17 quired by the Secretary pursuant to the provi-  
18 sions of this section.

19 “(6) REVIEW.—The Comptroller General of the  
20 United States shall, not later than 2 years after the  
21 date of the enactment of this section—

22 “(A) conduct a review of the subsidy esti-  
23 mates for the loan guarantees under this sub-  
24 section; and

1           “(B) submit to Congress a report on the  
2           review conducted under this paragraph.

3           “(7) TERMINATION.—A loan may not be guar-  
4           anteed under this subsection after September 30,  
5           2012.

6           “(8) AUTHORIZATION OF APPROPRIATIONS.—  
7           There are authorized to be appropriated—

8                   “(A) \$35,000,000 for the cost, as defined  
9                   in section 502(5) of the Federal Credit Reform  
10                  Act of 1990, of guaranteeing \$500,000,000 of  
11                  loans under this subsection; and

12                   “(B) \$6,000,000 for administrative ex-  
13                   penses for fiscal year 2008, and such sums as  
14                   are necessary for administrative expenses in  
15                   subsequent years.

16           “(c) NATIONAL ACADEMY OF SCIENCES EVALUA-  
17           TION.—

18                   “(1) IN GENERAL.—The Secretary shall enter  
19                   into an agreement with the National Academy of  
20                   Sciences under which the Academy shall evaluate,  
21                   every 3 years, the activities under this section.

22                   “(2) TRI-ANNUAL REPORT.—Under the agree-  
23                   ment entered into under paragraph (1), the Acad-  
24                   emy shall submit to the Secretary a report on its  
25                   evaluation of science park development under that

1 paragraph. Each report may include such rec-  
2 ommendations as the Academy considers appropriate  
3 for additional activities to promote and facilitate the  
4 development of science parks in the United States.

5 “(d) TRI-ANNUAL REPORT.—Not later than March  
6 31 of every third year, the Secretary shall submit to Con-  
7 gress a report on the activities under this section during  
8 the preceding 3 years, including any recommendations  
9 made by the National Academy of Sciences under sub-  
10 section (c)(2) during such period. Each report may include  
11 such recommendations for legislative or administrative ac-  
12 tion as the Secretary considers appropriate to further pro-  
13 mote and facilitate the development of science parks in  
14 the United States.

15 “(e) RULEMAKING.—Not later than 1 year after the  
16 date of the enactment of this section, the Secretary shall  
17 prescribe regulations to carry out this section in accord-  
18 ance with Office of Management and Budget Circular A-  
19 129, ‘Policies for Federal Credit Programs and Non-Tax  
20 Receivables’.”.

21 **SEC. 3. INTERNATIONAL PARTNERSHIP STUDY.**

22 The Director of the National Science Foundation  
23 shall enter into an arrangement with the National Acad-  
24 emy of Sciences for a study of the successes of inter-  
25 national partnerships among governments, industry, and

1 academia in advancing the capabilities of science and tech-  
2 nology in conjunction with a corresponding increase in  
3 business opportunities. Not later than 18 months after the  
4 date of enactment of this Act, the Director shall transmit  
5 to the Congress a report on the results of such study.

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