

111TH CONGRESS  
2D SESSION

# H. R. 5094

To authorize the National Science Foundation to carry out a pilot program to award innovation inducement cash prizes in areas of research funded by the National Science Foundation.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 2010

Mr. LIPINSKI (for himself and Mr. WOLF) introduced the following bill; which was referred to the Committee on Science and Technology

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## A BILL

To authorize the National Science Foundation to carry out a pilot program to award innovation inducement cash prizes in areas of research funded by the National Science Foundation.

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. PRIZE AWARDS.**

4       (a) IN GENERAL.—The Director of the National  
5       Science Foundation shall carry out a pilot program to  
6       award innovation inducement cash prizes in any area of  
7       research supported by the Foundation. The Director may

1 carry out a program of cash prizes only in conformity with  
2 this section.

3 (b) TOPICS.—In identifying topics for prize competi-  
4 tions under this section, the Director shall—

5 (1) consult widely both within and outside the  
6 Federal Government;

7 (2) give priority to high-risk, high-reward re-  
8 search challenges and to problems whose solution  
9 could improve the economic competitiveness of the  
10 United States; and

11 (3) give consideration to the extent to which the  
12 topics have the potential to raise public awareness  
13 about federally sponsored research.

14 (c) TYPES OF CONTESTS.—The Director shall con-  
15 sider all categories of innovation inducement prizes, in-  
16 cluding—

17 (1) contests in which the award is to the first  
18 team or individual who accomplishes a stated objec-  
19 tive; and

20 (2) contests in which the winner is the team or  
21 individual who comes closest to achieving an objec-  
22 tive within a specified time.

23 (d) ADVERTISING AND ANNOUNCEMENT.—

24 (1) ADVERTISING AND SOLICITATION OF COM-  
25 PETITORS.—The Director shall widely advertise

1 prize competitions to encourage broad participation,  
2 including by individuals, institutions of higher edu-  
3 cation, nonprofit organizations, and businesses.

4 (2) ANNOUNCEMENT THROUGH FEDERAL REG-  
5 ISTER NOTICE.—The Director shall announce each  
6 prize competition by publishing a notice in the Fed-  
7 eral Register. This notice shall include the subject of  
8 the competition, the duration of the competition, the  
9 eligibility requirements for participation in the com-  
10 petition, the process for participants to register for  
11 the competition, the amount of the prize, and the  
12 criteria for awarding the prize, including the method  
13 by which the prize winner or winners will be se-  
14 lected.

15 (3) TIME TO ANNOUNCEMENT.—The Director  
16 shall announce a prize competition within 18 months  
17 after receipt of appropriated funds.

18 (e) FUNDING.—

19 (1) FUNDING SOURCES.—Prizes under this Act  
20 shall consist of Federal appropriated funds and any  
21 funds raised pursuant to donations authorized under  
22 section 11(f) of the National Science Foundation  
23 Act of 1950 (42 U.S.C. 1870(f)) for specific prize  
24 competitions.

1           (2) ANNOUNCEMENT OF PRIZES.—The Director  
2           may not issue a notice as required by subsection  
3           (d)(2) until all of the funds needed to pay out the  
4           announced amount of the prize have been appro-  
5           priated or committed in writing by another entity  
6           pursuant to paragraph (1).

7           (f) ELIGIBILITY.—To be eligible to win a prize under  
8           this section, an individual or entity—

9           (1) shall have complied with all of the require-  
10          ments under this section;

11          (2) in the case of a private entity, shall be in-  
12          corporated in and maintain a primary place of busi-  
13          ness in the United States, and in the case of an in-  
14          dividual, whether participating singly or in a group,  
15          shall be a United States citizen or national, or an  
16          alien lawfully admitted to the United States for per-  
17          manent residence; and

18          (3) shall not be a Federal entity, a Federal em-  
19          ployee acting within the scope of his or her employ-  
20          ment, or a person employed at a Federal laboratory  
21          acting within the scope of his or her employment.

22          (g) AWARDS.—

23          (1) NUMBER OF COMPETITIONS.—The Director  
24          may announce up to 5 prize competitions through  
25          the end of fiscal year 2013.

1           (2) SIZE OF AWARD.—The Director may deter-  
2       mine the amount of each prize award based on the  
3       prize topic, but no award shall be less than  
4       \$1,000,000 or greater than \$3,000,000.

5           (3) SELECTING WINNERS.—The Director may  
6       convene an expert panel to select a winner of a prize  
7       competition. If the panel is unable to select a win-  
8       ner, the Director shall determine the winner of the  
9       prize.

10          (4) PUBLIC OUTREACH.—The Director shall  
11       publicly award prizes utilizing the Foundation’s ex-  
12       isting public affairs and public outreach resources.

13          (h) ADMINISTERING THE COMPETITION.—The Direc-  
14       tor may enter into an agreement with a private, nonprofit  
15       entity to administer the prize competition, subject to the  
16       provisions of this section.

17          (i) INTELLECTUAL PROPERTY.—The Federal Gov-  
18       ernment shall not, by virtue of offering or awarding a  
19       prize under this section, be entitled to any intellectual  
20       property rights derived as a consequence of, or in direct  
21       relation to, the participation by a registered participant  
22       in a competition authorized by this section. This sub-  
23       section shall not be construed to prevent the Federal Gov-  
24       ernment from negotiating a license for the use of intellec-

1 tual property developed for a prize competition under this  
2 section.

3 (j) LIABILITY.—The Director may require a reg-  
4 istered participant in a prize competition under this sec-  
5 tion to waive liability against the Federal Government for  
6 injuries and damages that result from participation in  
7 such competition.

8 (k) NONSUBSTITUTION.—Any programs created  
9 under this section shall not be considered a substitute for  
10 Federal research and development programs.

11 (l) REPORTING REQUIREMENT.—Not later than 5  
12 years after the date of enactment of this Act, the National  
13 Science Board shall transmit to Congress a report con-  
14 taining the results of a review and assessment of the pilot  
15 program under this section, including—

16 (1) a description of the nature and status of all  
17 completed or ongoing prize competitions carried out  
18 under this section, including any scientific achieve-  
19 ments, publications, intellectual property, or com-  
20 mercialized technology that resulted from such com-  
21 petitions;

22 (2) any recommendations regarding changes to,  
23 the termination of, or continuation of the pilot pro-  
24 gram;

1           (3) an analysis of whether the program is at-  
 2           tracting contestants more diverse than the Founda-  
 3           tion's traditional academic constituency;

4           (4) an analysis of whether public awareness of  
 5           innovation or of the goal of the particular prize or  
 6           prizes is enhanced;

7           (5) an analysis of whether the Foundation's  
 8           public image or ability to increase public scientific  
 9           literacy is enhanced through the use of innovation  
 10          inducement prizes; and

11          (6) an analysis of the extent to which private  
 12          funds are being used to support registered partici-  
 13          pants.

14          (m) EARLY TERMINATION OF CONTESTS.—The Di-  
 15          rector shall terminate a prize contest before any registered  
 16          participant wins if the Director determines that an unreg-  
 17          istered entity has produced an innovation that would oth-  
 18          erwise have qualified for the prize award.

19          (n) AUTHORIZATION OF APPROPRIATIONS.—

20               (1) IN GENERAL.—

21                   (A) AWARDS.—There are authorized to be  
 22                   appropriated to the Director for the period en-  
 23                   compassing fiscal years 2011 through 2013  
 24                   \$12,000,000 for carrying out this section.

1           (B) ADMINISTRATION.—Of the amounts  
2           authorized in subparagraph (A), not more than  
3           15 percent for each fiscal year shall be available  
4           for the administrative costs of carrying out this  
5           section.

6           (2) CARRYOVER OF FUNDS.—Funds appro-  
7           priated for prize awards under this section shall re-  
8           main available until expended, and may be trans-  
9           ferred, reprogrammed, or expended for other pur-  
10          poses as authorized by law only after the expiration  
11          of 7 fiscal years after the fiscal year for which the  
12          funds were originally appropriated. No provision in  
13          this section permits obligation or payment of funds  
14          in violation of section 1341 of title 31 of the United  
15          States Code (commonly referred to as the Anti-Defi-  
16          ciency Act).

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