

PERMISSION TO REDUCE TIME
FOR ELECTRONIC VOTING DURING
CONSIDERATION OF H.R. 5819,
SBIR/STTR REAUTHORIZATION
ACT

Ms. VELÁZQUEZ. Mr. Speaker, I ask unanimous consent that, during consideration of H.R. 5819 pursuant to House Resolution 1125, the Chair may reduce to 2 minutes the minimum time for electronic voting under clause 6 of rule XVIII and clauses 8 and 9 of rule XX.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE

Ms. VELÁZQUEZ. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 5819.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

SBIR/STTR REAUTHORIZATION ACT

The SPEAKER pro tempore. Pursuant to House Resolution 1125 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5819.

□ 1625

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5819) to amend the Small Business Act to improve the Small Business Innovation Research (SBIR) program and the Small Business Technology Transfer (STTR) program, and for other purposes, with Ms. DEGETTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

General debate shall not exceed 1 hour, with 40 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Small Business and 20 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology.

The gentleman from New York (Ms. VELÁZQUEZ) and the gentleman from Ohio (Mr. CHABOT) each will control 20 minutes, and the gentleman from Oregon (Mr. WU) and the gentleman from Michigan (Mr. EHLERS) each will control 10 minutes.

The Chair recognizes the gentleman from New York.

Ms. VELÁZQUEZ. Madam Chairman, I yield myself as much time as I may consume.

Madam Chairman, this year, we celebrate Small Business Week in the face

of harsh realities that come with an economic downturn. But it is important to remember that the Nation's 26 million entrepreneurs have always led America's way to economic recovery and sustained growth. That was the case during the last slowdown, when the technology sector—led by small startups—provided the foundation for the booming economy of the 1990s. It can be true again today.

Over the past decades, research conducted by entrepreneurs in the Small Business Innovation Research and the Small Business Technology Transfer programs has bolstered every area of American life. The important contributions of these small research firms span such varied disciplines as national security, energy efficiency, and public health infrastructure.

The measure that is before the House today reauthorizes SBIR and STTR. Together, the programs make up the largest government-wide R&D initiative, and they can help us emerge from weak economic times yet again. Just as importantly, the reauthorization will ensure these successful programs continue to spur innovation and job growth, while keeping America at the forefront of the global marketplace.

The last time these programs were reauthorized, the Internet was in its infancy, and the term "Google" was an obscure mathematical concept. Today, the Internet is a part of everyday life, and Google is one of the best known and largest companies on the planet.

Our legislation modernizes SBIR/STTR. It ensures small firms can contribute to our country's most pressing research and development challenges. The bill recognizes that, while many good ideas come from large companies and universities, it is American small businesses who are our primary source of innovation. These entrepreneurs, not just Boeing or MIT, develop the type of products and services that meet the needs of the new economy.

H.R. 5819 allows small businesses to continue bringing their critically important ideas from the laboratory to the marketplace. The bill also offers targeted resources for technical assistance and ensures small firms are not discriminated against because of their business model or type of financing.

Last, but not least, H.R. 5819 increases the number of SBIR and STTR applications from rural areas. It also promotes participation by small businesses that are owned by women, service disabled veterans and minorities.

Moreover, this reauthorization enables a greater number of small research companies to advance the sort of innovation that saves lives. As a result, dozens of patient groups support the bill. They include the ALS and Alpha-1 Associations, the Caring Voice Coalition, the Coalition of Heritable Disorders of Connective Tissue, the Cystic Fibrosis Foundation, the National Organization for Rare Disorders, Parent Project Muscular Dystrophy and the Tuberous Sclerosis Alliance.

The same holds true for a broad array of business groups, representing everything from the agricultural sector to energy and technology organizations. This diverse group of supporters includes the American Electronic Association, the Biotechnology Industry Organization, the Association for Manufacturing Technology, the U.S. Hispanic Chamber of Commerce, and the U.S. Women's Chamber of Commerce.

□ 1630

Madam Chairman, in passing this legislation, we will ensure the SBIR and STTR awards remain competitive from top-notch research and continue to produce cutting-edge breakthroughs.

There is no better way to celebrate Small Business Week than to support the work of entrepreneurs. That is especially true when it means saving lives, creating high-paying jobs for Americans, reducing our trade deficit, and getting our economy back on track.

I urge my colleagues to join with me and Mr. CHABOT in celebrating Small Business Week by voting for this important measure.

Madam Chairman, I reserve the balance of my time.

Mr. CHABOT. Madam Chairman, I rise in support of H.R. 5819, the Small Business Innovation Research and Small Business Technology Transfer Programs Reauthorization Act.

These two programs are highly successful Federal initiatives designed to encourage economic growth and innovation within the small business community by assisting with the funding that is critical at the startup and developmental stages of a small company. Not only do they spur growth in individual companies, the programs stress the importance of the Small Business Committee's and the entire Federal Government's commitment to expand and diversify research opportunities for small businesses.

Created in 1982, the SBIR program offers competition-based awards to stimulate technological innovation among small private sector businesses while providing government agencies with new, cost-effective, technical and scientific solutions to meet their diverse needs. This program is not only critical to the unique needs of each of the participating Federal agencies but also to our national economy. Small businesses renew the U.S. economy by introducing new products and lower cost methods of doing business, sometimes with substantial economic benefits. They play a key role in introducing technologies to the market, often responding quickly to new market opportunities. Some of our Nation's greatest technological innovations were originated by small business owners tinkering in their workshops, including two very famous Ohioans, the Wright brothers.

Our committee worked very hard to produce the legislation we have before us today. We held several hearings on

this topic over the last few months inviting the Small Business Administration, SBIR and STTR program managers from Federal agencies, various small businesses, and academics to discuss this program's successes and consider amendments that would improve it. I am happy to say that a great many of the ideas presented to the committee have found their way into this legislation.

For example, the bill requires agencies with an annual SBIR program of \$50 million or more a year to create an SBIR advisory board to review the program quarterly and recommend improvements. We found throughout the course of our work that there is simply not enough hard evidence available to effectively measure the success or failure of the programs. Several of our witnesses touched on this subject, and the National Academy of Sciences mentioned it in its congressionally mandated study of the SBIR program.

The bill also states that agencies required to have an SBIR advisory board must complete an evaluation of the competitive SBIR proposals within specific time frames. This is important to ensure that potential awardees are reviewed promptly and effectively. Given the complexity and time-consuming nature of awarding an SBIR grant award application, it can be very difficult to plan your business' future without knowing its fate for months at a time.

The legislation also increases the size of maximum awards to allow grant winners greater ability to develop their new technologies and provides agencies even greater flexibility to administer the programs. The award levels have not been raised or adjusted for inflation in 16 years. Several of our witnesses commented that the levels, particularly for phase I, offer very little wiggle room.

Additionally, I believe this legislation finds an appropriate balance on the issues of venture capital companies' funding of SBIR participants. I would like to thank the gentleman from Missouri (Mr. GRAVES) for all of his hard work on this issue. Mr. GRAVES has been a champion on this matter for years and has consistently worked to find a solution that balances funding the best science with maintaining the integrity of the program's goals of helping small businesses. I understand Mr. GRAVES will be offering a perfecting amendment during this proceeding that effectively strikes this balance, and I would urge Members on both sides of this aisle to support the amendment.

I would also like to thank the gentlelady from New York and chairwoman of our committee, Ms. VELÁZQUEZ, and her staff for working in such a strong bipartisan manner with me and other members of our committee and with our staff on this legislation. But this is nothing new. The gentlelady has consistently sought my input and Republican members on

the committee's input on various bills that we reported out of the committee and how they should be crafted. Although we may not always agree on every issue or there may be philosophical undertones, the spirit of working together in an effort to produce legislation that truly helps American small businesses always prevails, and I congratulate and commend the gentlelady for doing that.

Again, I urge my colleagues to vote for this legislation.

I reserve the balance of my time.

Mr. WU. Madam Chairman, I yield myself such time as I may consume.

I rise in support of H.R. 5819, this SBIR/STTR Reauthorization Act. I want to commend Chairwoman VELÁZQUEZ and the gentleman from Ohio for their fine work in the Small Business Committee to bring a strong bill to the floor. I also want to recognize Drs. EHLERS and GINGREY and Chairman GORDON of our Science and Technology Committee for their leadership on this issue.

SBIR and STTR are integral to our innovation agenda. Small companies are where a lot of innovation happens, and we need to support these companies to remain successful in the competitive global economy. At more than \$2.3 billion a year, SBIR and STTR comprise the largest single source of Federal funding for private sector technological innovation. These funds help fund companies to turn federally funded research into new jobs, products, and services. However, SBIR and STTR were created more than 20 years ago, and we need to restructure both programs to respond to the new global innovation environment.

Last week, the Technology and Innovation Subcommittee marked up H.R. 5789, the Science and Technology Innovation Act of 2008, which also reauthorized SBIR and STTR. I am glad to see that many of the provisions from H.R. 5789 were included in the subject bill, H.R. 5819.

I thank Chairwoman VELÁZQUEZ for working to include provisions that the Science Committee thought were critical to the continued success of SBIR and STTR.

Prior to coming to Congress, I practiced technology law for a number of years, and I helped a number of applicants through the SBIR application process. I can tell you that it is a long and arduous process and that frequently, grant sizes were not adequate. The bill we are considering today includes many updates which can fix some of the problems that I saw in the private sector, such as increasing the set-aside by one-half percent, increasing the award sizes, allowing for agency flexibility and granting awards, and addressing venture capital participation in the SBIR program.

Again, I want to thank the chairwoman for introducing this good legislation which improves upon existing programs that are vital to the development of innovative technologies. I urge my colleagues to support this bill.

I reserve the balance of my time.

Mr. EHLERS. Madam Chairman, I yield myself such time as I may consume.

The Small Business Innovation Research (SBIR) program and the Small Business Technology Transfer (STTR) program both were created to stimulate technological innovation, encourage the use of small businesses to meet Federal research and development needs, and increase private sector commercialization of innovations developed from Federal research and development. I believe both programs have been very successful and should be continued, and, on that basis, I support the legislation before us, although I disagree with some aspects of it.

The Science and Technology Committee has a long standing interest in promoting innovation and development by small businesses. Through these two competitive programs, the Small Business Administration is charged with ensuring that the Nation's small innovative businesses are a significant part of the Federal Government's research and development efforts. Currently, 11 Federal departments participate in the SBIR program, including the Departments of Agriculture, Defense, Commerce, Education, Energy, Health and Human Services, Homeland Security, and Transportation, as well as the Environmental Protection Agency, the National Aeronautics Space Administration, and the National Science Foundation. Of these 11, five departments also participate in the STTR program, awarding \$200 billion to small high-tech businesses.

The original legislation for SBIR was developed based on the Small Business Innovation Research program of the National Science Foundation. The NSF program was designed to encourage proposals from small science and technology firms in NSF program areas. The current Federal-wide program mirrors the original NSF program, which was also organized in three phases to ensure the most efficient use of resources.

Phase I was an opportunity to develop research on important scientific and engineering problems. Projects that were found to be promising after the phase I research stage were given phase II awards to further develop the research project. Phase III is a transition phase that involves commercialization of the products or processes developed in the first phases.

Similar to SBIR, STTR is also a highly competitive three-phase program that reserves a specific percentage of Federal research and development funding for small businesses to work in partnership with nonprofit research institutions to help move ideas from the laboratory to the marketplace, to foster high-tech economic development in the United States, and to help to meet the technological needs of the Federal Government. Since the implementation of this program in 1983 through fiscal year 2006, over \$20.7 billion has been given in awards for more

than 94,660 projects. The Government Accountability Office, which has been charged with assessing this program, has generally found that these programs have achieved the goal of enhanced participation of a small business in research and development fields.

Given the interest of the Committee on Science and Technology on the research and development of new technology, our committee has a unique interest in this bill. We have long been concerned about how America competes with the rest of the world in these areas. Many initiatives that have been passed by our committee in this Congress have focused on the need to improve our competitiveness in the world through funding of science education programs and public outreach efforts. I view this legislation as one more way we can reach out to the public to assist American innovation.

My only regret with regard to this legislation is that I do not believe it was able to receive the proper attention it warranted by the Committee on Science and Technology. Our committee shares jurisdiction on this legislation, primarily concentrated on the areas of science itself and the amount of science funding.

However, the full committee was not given the opportunity to consider this legislation and have its voice heard with regard to its continuation, primarily because there was a great hurry to bring this bill to the floor. Had regular order been provided, I believe we would be bringing a different bill to the floor today. And in view of that, I have offered an amendment that I believe will strengthen the bill, make it sounder in funding, preserve the funding of other resources and other research in the Federal Government, and also provide an opportunity to increase the funding for SBIR and STTR in the future by bringing up the funding for the other agencies of which these two organizations receive a percentage.

But I believe the approach in the bill of simply arbitrarily increasing the funding for SBIR and STTR hurts our research efforts in the Nation, and I will speak later on that topic when my amendment reaches the floor.

The second reservation is voiced by Mr. GINGREY of Georgia and, if we have time, we will enter into that discussion later and I will give him an opportunity to speak.

I reserve the balance of my time.

Ms. VELÁZQUEZ. I yield to the gentleman from Texas (Mr. CUELLAR), a member of the Small Business Committee, for 3 minutes.

□ 1645

Mr. CUELLAR. I thank the gentleman for yielding.

Madam Chairman, I rise in support of H.R. 5819, the SBIR/STTR Reauthorization Act.

The creation of the Small Business Innovation Research program has benefited small businesses across the

United States. Through the SBIR program, small businesses have been given the opportunity to provide innovative solutions that benefit the Federal Government through the research and development of new products.

I applaud the chairwoman's efforts. NYDIA VELÁZQUEZ has worked extremely hard with all members of the committee to make sure that we properly make the changes to the SBIR program. I commend the chairwoman, and the ranking member, also, for their diligence in protecting and encouraging the participation of small business concerns owned by women, veterans and minorities, all businesses.

I would like to thank the chairwoman and the committee staff for working with me to add a provision that I brought forward to make sure that Congress has a clear picture of how exactly involved these underrepresented small business concerns have been in the SBIR and the STTR program.

I believe Congress can best make improvements to valuable programs and initiatives if we have an effective reporting requirement. This legislation will require that annual reports on the SBIR program include information regarding the SBIR program involvement of small business concerns that are owned by women, minorities and veterans, and again, I emphasize, all the small businesses that we have. By evaluating what SBIR awards have been distributed to these underrepresented businesses, my opinion is that Congress can best determine how to further involve businesses owned by women, minorities and veterans.

Again, I thank the chairwoman for the effort, and the ranking member. I support this legislation and I ask Members to support it.

Mr. CHABOT. Madam Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. WESTMORELAND).

Mr. WESTMORELAND. I want to thank my friend for yielding. And I want to thank the chairwoman, Ms. VELÁZQUEZ, for the job that she has done and for what Ranking Member CHABOT has done, and the true bipartisan work and the good things that we have been able to do in the committee this year for small business.

But while we're talking about that, you know, we need to talk about the one threat that all small business people have come up to me in the last couple of weeks to talk about, and that is the price of fuel. Madam Chairman, I want to tell you that some of them feel like they have been lied to or maybe misled, because in 2006, the Democratic Congressional Campaign Committee sent out a memo that said, "To Assist the Candidates." "Demonstrate your dedication to fighting for middle class families by clearly explaining how you will work to keep down the price of gas if elected to Congress. Hold an event at a gas station or other logical locations where you call for a real commitment to bringing down gas prices, and pledge

that as a Member of Congress you will fight for families in your district, not for oil and gas executives that the Republican Congress has fought for." And so they went out.

And maybe some people were misled because if you look at April 11, 2006, one of the candidates, Jason Altmire, who is on our committee, had a campaign that said, "rising fuel costs" that got Jason Altmire, the Democratic nominee for the Fourth Congressional District, calling for alternative fuel sources. "Altmire made four stops Thursday in the district at gas stations all at prices for regular unleaded teetering at around \$3 per gallon. The Democrat blames his opponent and President Bush for the rising fuel costs." The price for a barrel of fuel at this time, a barrel of oil is \$57. You know, it's \$119 today.

Small business people have been misled to think that the new majority was going to do something about fuel costs. It's time we have a public outcry that we do do something. If this secret plan is released, if the Pelosi premium is brought down, gas prices are at a record at this time of \$3.50 a gallon.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CHABOT. Madam Chairman, I yield the gentleman an additional minute.

Mr. WESTMORELAND. I think that small businesses deserve an answer. I think they deserve to see what this program is. I think they deserve to see what this plan is, what they were promised.

The fact that gas at the time that they were told this was \$2.06 a gallon, oil was at \$76 a barrel, today oil is at \$119 a barrel, average price of gas is \$3.50, they've been misled. And so what we want to do is see that commonsense plan brought to the floor, laid out, that we can all look at and maybe we can work towards.

And it's not just raising taxes, it's not buying or riding bicycles, it's not windmills, it's not solar panels, it's got to be less dependence on foreign oil. And we can only do that by using our natural resources to provide energy for this country.

Mr. WU. Madam Chairman, I yield 2 minutes to the gentleman from Washington, the chairman of the Research and Education Subcommittee of the Science Committee, Mr. BAIRD.

Mr. BAIRD. Madam Chairman, I would like to thank my dear friend from Oregon, my colleague and neighbor across the river, and also the gentlelady from New York (Ms. VELÁZQUEZ) for her leadership, and my friend, Mr. EHLERS from Michigan, and Mr. CHABOT from Ohio.

I am particularly pleased about the aspect of this legislation that will eliminate what I feel are counterproductive barriers to participation by firms that receive venture capital in the SBIR program. This issue was brought to my attention by a local

firm, nLight Photonics, which is leading the world in high-capacity semiconductor lasers.

Many of our top high-tech companies demand startup venture capital in order to build the infrastructure they need to produce the products which save us money, save us lives, and help stimulate our economy. These successful companies, however, often would like to branch out into a parallel area, perhaps not their primary pursuit, but a parallel area for which SBIR funds would be fully appropriate and advantageous. Unfortunately, under current rules, that is prohibited. In other words, the very companies that have proven successful and have been able to demonstrate to venture capital that they have a process, personnel, and products that are worth supporting are then precluded from Federal support. This bill corrects that. I commend the gentlelady and Mr. WU for recognizing that.

I want to thank Mr. GRAVES, who worked on this with me several years ago, and again thank my colleagues from both sides of the aisle. It is a good bill. It will help, by the way, address some of those energy challenges that the gentleman who just spoke alluded to.

Mr. EHLERS. Madam Chairman, I am very pleased to yield 4 minutes to the distinguished gentleman from Georgia, Dr. GINGREY.

Mr. GINGREY. I thank the gentleman for yielding.

Madam Chairman, both the Small Business Innovation Research and the Small Business Technology Transfer programs have proven to be extremely successful since their implementation in 1982. These are both grant programs that have been effective in providing government assistance to small businesses to help more people in our country achieve the American Dream.

Although I do have some concerns about the underlying bill, H.R. 5819, small business is still the cornerstone of the economy and job growth in this country, and I am happy that we're addressing these important programs on the House floor.

Madam Chairman, small business drives United States economic growth and innovation. These companies make up 99.7 percent of all United States employers and employ nearly half of all Americans who are not working for the government. In addition, small businesses employ 39 percent of high-tech workers, such as scientists and engineers, and they produce 13 to 14 times more patents per employee than do the larger firms. The SBIR and STTR programs were created to provide critical funding to these companies so they could conduct R&D that they otherwise would not be able to afford. These programs also provide further funding to commercialized promising technology resulting from that R&D.

Since their inception in 1982, these programs provide over \$2 billion in grants and contracts each year, and

they have provided the start-up funding for hundreds of small businesses in the United States. In my own State of Georgia, Georgia Tech, my alma mater, provides assistance to small business initiatives across the State, and as a result, companies have received \$15 million in SBIR and STTR grants. Specifically in my district in northwest Georgia, the 11th, eight companies have received \$8.3 million in SBIR awards since 2005. So, Madam Chairman, it is vital that these programs are reauthorized so we can continue to foster small business development in the emerging technology-based global economy.

While I am generally supportive of H.R. 5819, I do, as I said, have some concerns with sections relating to venture capital and phase one and two grant eligibility.

Venture capital helps small business entrepreneurs gain credibility on solid ideas that have the potential for commercialization. However, while venture capital serves as an important component in facilitating small business success, it must also be closely monitored and scrutinized. We must ensure small business interests are at the heart of SBIR and STTR programs. After all, that's why they were created back in 1982.

Through H.R. 5819, small business companies who utilize SBIR and STTR programs have the latitude to incorporate venture capital funding into their operation, but section 201 in the bill provides safeguards so that small businesses are not merely conduits for venture capital interests, and I want to thank Chairwoman VELÁZQUEZ for this. While I believe this section of the bill is a very good step in the direction of protecting small business interests, I believe that this language could be even stronger to specifically reinforce the integrity of these two programs.

Madam Chairman, I do support the mission and the intent of SBIR and STTR programs. I urge all my colleagues to support H.R. 5819.

Ms. VELÁZQUEZ. Madam Chairman, I am very pleased to yield 3 minutes to the gentleman from Pennsylvania (Mr. SESTAK), vice president of the Small Business Committee.

Mr. SESTAK. Madam Chairman, I rise today also in support of H.R. 5819, a bill to improve and modernize the Small Business Innovation Research program and the Small Business Technology Transfer program.

Small businesses, the backbone of our economy, bring innovation, creativity, competition and lower costs to our economy. As elsewhere in America, 70 percent of all the new jobs in my district in Pennsylvania come from small businesses, and I strongly believe our economic security is dependent upon our ability to provide these businesses with the tools and the resources they need to grow.

In 1982, as has been mentioned, Congress recognized the importance of retaining and increasing the innovation

and research of small business by creating the Small Business Innovation Research program to stimulate technological innovations, meet Federal research and development needs, and increase the commercial success of innovation.

The bill we will be voting on improves the Small Business Innovation Research program and the Small Business Technology Transfer program to ensure that small businesses receive the resources they need to continue to innovate, grow and succeed.

Madam Chairman, this bill will make the necessary changes to modernize these two programs. This bill will increase funding available for grants, simplify the application process, broaden technical assistance, and create a more flexible process for the 11 participating Federal agencies. It also focuses agencies on granting funding to projects with commercial viability and promising research, and it requires agencies to establish databases to collect best practices information.

I strongly believe that innovation is essential to the economic well-being of our Nation, and the Small Business Innovation Research program and the Small Business Technology Transfer program make a significant contribution to our economy. I therefore urge my colleagues to vote in support of this timely reauthorization.

Mr. CHABOT. Madam Chairman, we will reserve the balance of our time.

Mr. WU. Madam Chairman, at this time, I am pleased to yield 1 minute to the gentleman from Ohio, a member of the committee, a leader in the field of nanotechnology, Mr. WILSON.

Mr. WILSON of Ohio. Madam Chairman, I rise today in support of H.R. 5819, the Small Business Innovation Research and Small Business Technical Transfer reauthorization bill. Established in 1982, these highly competitive programs have a well-deserved reputation for success.

In today's economy, small businesses are critical to U.S. innovation. In my home State of Ohio, the SBIR and the STTR programs have played an important role in improving the regional economy through science, technology and innovation.

The SBIR and the STTR programs work to create jobs and increase our Nation's capacity for technological innovation. And funding these programs has been critical to the success of many businesses throughout my district. It is clear that the SBIR and the STTR programs are critical in promoting the science and technology research that drives our innovation-based economy.

I urge my colleagues to vote "yes" on this important bill.

Mr. EHLERS. May I inquire as to how much time I have remaining.

The CHAIRMAN. The gentleman from Michigan is advised he has 30 seconds remaining.

Mr. EHLERS. Madam Chairman, I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, I would like to inquire how much time is remaining on each side, each committee.

The CHAIRMAN. The gentlewoman from New York has 11 minutes remaining. The gentleman from Ohio has 12 minutes remaining. The gentleman from Oregon has 5 minutes remaining.

□ 1700

Ms. VELÁZQUEZ. Madam Chairman, I would like to yield 2 minutes to the gentleman from Pennsylvania (Mr. ALTMIRE), who is the chairman of the Subcommittee on Investigations and Oversight.

Mr. ALTMIRE. I thank the chairwoman for yielding.

Madam Chairman, I rise today in support of the Small Business Innovation Research Program Reauthorization Act.

Since its inception in 1983, SBIR has been key to American competitiveness, providing quality research for the U.S. Government and spurring technology innovation. SBIR has been a catalyst for some of today's most successful enterprises. For over 25 years, SBIR has allowed innovative small businesses to partner with the government for the development of today's most cutting-edge goods and services. SBIR is a program designed to stimulate American competitiveness.

This legislation we consider today will ensure that SBIR will keep pace with the technological changes and advancements in today's ever-changing, high-tech world to keep our Nation's small businesses competitive in the global economy.

The region I represent in western Pennsylvania has produced a number of SBIR success stories, ranging from new medical therapies to advanced computer technology. The area is an emerging medical- and technology-based community that is home to some of the top research and development in the entire country.

Reauthorization of SBIR will allow us to continue to foster research and innovation that will translate into a wealth of new employment opportunities and economic growth for western Pennsylvania and the entire country.

Mr. CHABOT. Madam Chairman, I reserve the balance of my time.

Mr. WU. Madam Chairman, I reserve the balance of my time.

Mr. EHLERS. Madam Chairman, I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, I would like to yield to the gentleman from Ohio (Mrs. JONES) for 2 minutes.

(Mrs. JONES of Ohio asked and was given permission to revise and extend her remarks.)

Mrs. JONES of Ohio. I would like to thank the Chair of this wonderful committee for yielding time to me today.

Madam Chairman, I used to serve on the Small Business Committee and am pleased every chance I have to take the opportunity to come back and salute

all the members of the committee, my colleague from Ohio as well, for the work that they do.

I come to the floor today in support of H.R. 5819 to amend the Small Business Innovation Research program and the Small Business Technology Transfer program because this will bring an opportunity for small businesses in my congressional district to have an opportunity to work on some of the innovative technology that they have been planning over the years.

Within my congressional district, I have more than five medical institutions, and the work that these medical institutions have been able to do with small businesses that have been spawned from much of the research is very, very exciting. And we think that the area of Cleveland and northeast Ohio will be a place where we will have an opportunity to put to work some of the opportunities that are presented in this particular legislation.

I'm particularly pleased that the legislation includes an annual \$10 million competitive grant program that will support and assist women-, veteran-, and minority-owned businesses. In today's fast-paced economy, minority businesses are steadily expanding their presence and are increasingly a driving force in the economy. But, more importantly, we all know the importance of small business. Unlike my father and my mother and many of our fathers and mothers who worked for companies for 40 years, it does not happen anymore that you're working for that same company. And we need opportunity to expand business so that young people coming out of high school and college have a place to work.

I'm so pleased to join my colleagues in supporting the expansion of these programs.

I rise today in support of H.R. 5819, a bill that will reauthorize the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs through 2010.

I support these programs because they provide a much needed boost in business innovation and job creation throughout the country. These programs address the needs of our current struggling economy by providing funds to small businesses that work with universities or perform cutting-edge research related to the missions of our different federal agencies.

According to the House Science and Technology Committee, these two programs provide the most federal support—about \$2.3 billion annually—for private-sector technology innovation by small businesses. In these tough economic times, small business innovation becomes an increasingly vital asset to our economy. In my home state of Ohio, the SBIR program has made a significant contribution to the economy by providing \$83 million in awards to small businesses in 2005 and 2006.

As a representative of a congressional district that is home to more than five major medical institutions, I am keenly aware of the role the SBIR program has played in fostering medical breakthroughs. I am very interested in promoting the ability of our researchers to explore and pursue cutting-edge medical ad-

vancements and believe that the SBIR program is critical to ensuring that promising medical innovations can move forward.

I am particularly pleased that this legislation includes an annual \$10 million competitive grant program that will provide support and assistance for women, veterans, and minority-owned businesses. In today's fast paced economy, minority businesses are steadily expanding their presence and are increasingly a driving force in the economy.

Today, minorities own over four million firms, generating nearly \$700 billion in yearly revenue and employing over 7 million workers. People of color across the country have embraced business ownership and this legislation will allow more of these firms to participate in Federal research and development activities.

I urge my colleagues to support the passage of H.R. 5819.

The CHAIRMAN. Are the Members now prepared to close?

Mr. EHLERS. I am prepared to close, Madam Chairman.

Mr. CHABOT. Madam Chairman, we have been told we have Don Young, who is on his way here; so we're not prepared to close. But if time runs out, then it runs out.

Ms. VELÁZQUEZ. Madam Chairman, I have no further requests for time.

Mr. WU. Madam Chairman, we have one further speaker, who, we are told, is on her way.

The CHAIRMAN. The gentleman from Michigan is recognized to close.

Mr. EHLERS. Madam Chairman, the substance of the bill is good. I support the general intent of it.

I am very concerned about several aspects. One of those is the size of the increase of the allocation, which is going to hurt our Nation's research effort in its totality. Secondly, the issues raised by Dr. GINGREY which involve giving perhaps too much control and power to the venture capitalists. And, third, the issues relating to the other issues that Dr. GINGREY brought forth regarding category I and category II funding, and the interplay between the two.

If we can solve these problems I would hope to support the bill.

The CHAIRMAN. The gentleman's time has expired.

Mr. WU. Madam Chairman, I am ready to close.

The CHAIRMAN. The gentleman from Oregon is recognized.

Mr. WU. This is a finely crafted bill, which a lot of Members have worked on for quite some time. I want to especially thank those staffers who normally do not get recognition: Dennis Worden of my personal staff, Barb Jones, a detailee from the National Institute of Standards and Technology; Mike Quear from the Science Committee staff; and also Piper Largent of the Republican side on the committee staff.

I think that I would just close by saying that this is a good bill. It is a compromise bill. No one is getting everything that they want. But I think that on balance this is a bill which is good for innovation in America.

Madam Chairman, I yield back the balance of my time.

Mr. CHABOT. Madam Chairman, I yield myself such time as I may consume.

Obviously we are still waiting for Mr. YOUNG to speak. If he gets here, he gets here; if he doesn't, he doesn't.

I would like to, first of all, again commend the gentlewoman from New York for her cooperation and once again putting together a bipartisan effort here. And we both agree that both of these programs should be continued and have great value; so I would encourage my colleagues to support it.

Without Mr. YOUNG's being here and not having spoken to him ahead of time and knowing exactly what he wanted to talk about, I would guess what he wanted to talk about had to do with the fact that energy is a huge problem in this country and some of it is because we have handcuffed ourselves and we are far too reliant upon foreign sources of energy from the Middle East, from some of the most unstable parts of the world, from Nigeria, from Venezuela. And for that reason, we're seeing gas prices at all-time highs, approximately \$3.50 per gallon, and it's hurting an awful lot of our constituents, my constituents in Cincinnati and other members of the driving public all over this country. And one of the principal reasons is we are too reliant upon foreign sources of energy. We also haven't built an oil refinery.

Mr. WU. Madam Chairman, will the gentleman yield?

Mr. CHABOT. I would be happy to yield to the gentleman.

Mr. WU. It has been delightful to be working with the majority on the SBIR/STTR bill.

The minority has chosen to make this into a debate about energy prices. A professor at Stanford University estimates that oil prices should be at about \$60 a barrel. The chairman of Exxon, I understand, says that oil should be at about \$55 a barrel. And I think the only reason why oil is at twice that price is because of an unnecessary war and a Republican Congress which permitted Exxon to speculate in the energy market.

Mr. CHABOT. Reclaiming my time, I thank the gentleman for interposing his points of view.

But as I was saying, Madam Chairman, I think one of the principal reasons we are seeing these high energy prices is because we are far too reliant upon foreign sources of energy. We have put off-limits an area which is in Mr. YOUNG's State, in Alaska, ANWR. It's an area that not many people go to, although the photographs that you see of it make it look like it's nothing but flowers and animals and that it's a very lovely area, and I'm sure it is lovely in certain parts of the year. But the bottom line is by putting that 16 to 18 billion barrels of oil off-limits, we have to buy more oil from other countries, and that's one of the things that drives up the cost.

Another part of considerable oil reserves that we have put off-limits is in

the Outer Continental Shelf. Now compared to 16 to 18 billion barrels of oil in ANWR, we have, we think, 83 to 86 billion barrels of oil and huge amounts of natural gas. And as long as we put those areas off-limits, it means we have to buy oil from somewhere else. It puts OPEC in a position where they can turn the spigot down somewhat or not increase it to take care of not only our needs but the needs of a growing environment in India and in China and those areas; so the price goes up as a result of that.

The other problem is we haven't built an oil refinery in this country since 1976. We make it virtually impossible for that to happen. We had over 300 oil refineries 30 years ago. We're down to 148, so fewer than half the number of oil refineries. That's another big problem. And I think those are the types of problems that Mr. YOUNG would have in all likelihood spoken about.

Madam Chairman, I see that Mr. YOUNG has entered, so I will at this point yield such time as he may consume to the gentleman from Alaska (Mr. YOUNG).

(Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. I thank the gentleman for yielding because we're talking about innovating small business and helping small business in this country. And that's well and good, and I congratulate the chairman and, of course, the ranking members on this legislation.

But, Madam Chairman, it's all for naught, it's all for naught, unless we address this issue of energy. Small business can't run on hot air. Small business can't even survive in this Nation or progress unless we solve this energy problem of fossil fuels.

And you may have heard me last week saying it's not your fault other than the fact you're in the wheelhouse now. You're in the wheelhouse. We were there for 12 years, and we didn't solve it either. But you said you would do that. You would lower the cost of energy for small business and the consumers of this Nation. That has not happened.

Realistically, this Congress cannot do it unless we address the issue of production. Not pie in the sky but production.

There's no shortage of fossil fuels in the United States of America. There's a shortage of the will to develop it. We just had a sale in Alaska in the Chukchi Sea, \$2.6 billion. And they tell me, the geologists, there's more oil there than there is in the Gulf of Mexico. But we can't, in fact, develop it because of a lawsuit by certain interest groups in this Nation who do not want that developed. We have the Beaufort Sea. We have the Aleutian chain. That's just Alaska.

And for those of you in California, you have more oil off your shores than we do in Alaska if you'll develop it. But you have not done so. We have not done so.

We have the Gulf of Florida. We can't do it. We have the Rocky Mountains, Virginia, North Carolina, South Carolina, and we have not done so. We have not passed one piece of energy legislation in this body that produces any energy that runs these small businesses.

So I ask you, my colleagues, how can you stand here on the floor and sit on this floor and talk about innovation for small business without addressing the energy problem?

Each man, woman, and child this year will pay a \$2,000 tax to foreign countries, each man, woman and child in the United States of America, for buying fossil fuels overseas and not developing those fossil fuels within our borders. That's \$2,000 a year, the largest tax of any one family, a family of five, a \$10,000 tax, to the Saudi Arabians or Venezuela or Kuwait or Iran or Iraq.

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Seventy percent of our fossil fuels today are being imported because this body has not solved this problem, and should do so. Some of you on that side, some on this side voted to open the Arctic Wildlife Range in Alaska 12 times in this House. We did get it out of the Senate once, and Bill Clinton vetoed it. He vetoed it. We passed it 12 times here, 11 times; couldn't get the votes in the Senate. If we had it developed today, we would be producing enough energy so they couldn't raise the prices they are doing now.

By the way, everybody says, Get the oil companies. They say, Get those dirty oil companies. We are not the only buyer on the market any more. China is now burning more barrels of fuel today than we are, and it's going to go up. Look at their automobile consumption. India is right behind them.

Now some people say, Well, we don't need fossil fuels. We will use wind power and solar power, et cetera. I agree with all those things. But our economy is run on power that moves objects. Your product that comes and goes, comes on a vessel that is driven by fossil fuels. The plane, the train, the ship, and the automobile that delivers to the consumer is driven by fossil fuels. There is no quick solution with hydrogen, et cetera.

If you want the economy to go forth and you want these small businesses to succeed, this Congress, and I ask the Congress on both sides to address this issue. Madam Chairman, let's solve the problem. Let's not have any more pie in the sky. Let's open these areas that have been put on restriction, because the oil is there, Mr. and Mrs. America. It's just that you have not asked us to open it. You preferred us not doing so as long as we can buy it cheap from a foreign country. And those days are over.

Now this is my prediction. Oil now is at \$120 a barrel. That means gasoline for this summer is going to be around \$5 a gallon. But more than that, that means the power to run small businesses will not be available because we

have not kept up the power in other areas. We don't develop the nuclear, which we should. We haven't had any hydro, which we should. Yes, we have a little bit of wind and solar. But more than that, we have not addressed the fossil fuel issue.

So as we talk about small businesses, how we are going to encourage them, we are going to give them incentives, and have new imagination, that is well and good, but you can't do it without reasonable price power.

So I charge this body, the leadership on that side, and I charge this side in the minority, to truly come to grips and address each area that has fossil fuels that we know where they are, lift the restrictions, and develop it for the future of this Nation, the youth of this Nation, and the businesses of this Nation. If we don't do that, we are neglectful of our duty.

Mr. CHABOT. Madam Chairman, I yield back the balance of my time.

Ms. VELAZQUEZ. I yield myself the balance of my time.

Madam Chairman, the gentleman from Alaska comes here and laments about high energy prices. But when he had a chance to vote against price gouging, he voted "no." When he had a chance to vote about long-term alternative energy and conservation, he voted "no." So don't come to the floor and tell us the need to deal with the energy crisis in this Nation, because I can tell you that talk is fine. But when it comes to real solutions, you vote "no."

So, Madam Chairman, let's go to the issue at hand. It's just really sad that the minority decided to make SBIR and STTR an innocent bystander on this debate. Let me say that there is no other nation on Earth where a person's dreams of service and innovation can be translated so effectively into a brand of success that yields both wealth and concrete benefits to society. That distinctly American tradition of entrepreneurship, of cutting edge and ideas and service to society, is what Small Business Week is all about. It is also the core of H.R. 5819.

I want to thank Chairman GORDON and Ranking Member HALL, Mr. WU and Mr. EHLERS from the Science and Technology Committee, as well as my own ranking member, Mr. CHABOT, for their work on this important legislation. I am particularly grateful for Mr. CHABOT's input on this legislation, and I think that our collaboration has produced a better product for our Nation's small businesses.

I also want to recognize the staff members on both committees for their tireless work. A special thank you goes to Bill Maguire on Small Business Committee Democratic staff; Michael Day, and to Joe Hartz on Mr. CHABOT's side of the aisle, and Kevin Fitzpatrick. I also would like to acknowledge Melissa Shannon from the Speaker's office. On the Science and Technology Committee I would like to recognize the Democratic staff, Mike Quear; from

Mr. WU's staff, Dennis Worden; and from Mr. GRAVES' personal office, Paul Sass.

Most of all, I would like to thank the men and women of America's small business. It is their efforts that continue to make our Nation great. They keep us moving forward, no matter what challenges arise, and they deserve our support and respect.

Once again, I urge my colleagues to join me in celebrating Small Business Week by voting "yes" on this important legislation.

Ms. JACKSON-LEE of Texas. Madam Chairman, I rise today in support of H.R. 5819, to reauthorize the "SBIR/STTR Reauthorization Act." This legislation extends the federal government's largest small business research and development programs for two years, increases funding for small research firms by half a billion dollars, and modernizes the Small Business Innovation Research (SBIR) Program so that it is better aligned with the needs of small research firms. I would like to thank my colleague Congresswoman VELÁZQUEZ for introducing this legislation, as well as for her ongoing leadership as Chairwoman of the Committee on Small Business.

Madam Chairman, this legislation is very important to the constituents of my community and the nation as a whole because it will continue to provide funding for small business innovation research and small business technology transfer programs by extending these programs until FY2010. Small businesses represent more than the American dream—they represent the American economy. Small businesses account for 95 percent of all employers, create half of our gross domestic product, and provide three out of four new jobs in this country.

Minority businesses are also crucial to our communities and our country. According to statistics published by the United States Census Bureau, in 2002 nearly 2 in 5 black-owned firms operated in health care and social assistance. Black entrepreneurs owned 9.7 percent of all such businesses in the United States. Statistics gathered between 1997 and 2002 show substantial increases in the number of black owned firms with receipts of \$1 million or more, as well as the number of black owned firms with 100 employees or more. Black-owned firms accounted for 5 percent of all non-farm business in the United States in 2002.

In my home city of Houston, small businesses are vital to our economy. In 2002, Harris County ranked 6th in the nation for counties with the largest number of black-owned firms, with 27,770 firms with receipts totaling 1,817 million dollars. I have worked to introduce minority, women, and small business owners to contracting officials at NASA to help promote and develop Houston small businesses. I was proud to support H.R. 1873, the Small Business Fairness in Contracting Act, which passed the House in May of last year, and to introduce two amendments, both of which were accepted to the bill. The first amendment brings transparency, accountability and responsiveness to the process of procuring federal contracts. I also successfully introduced an amendment mandating that whenever there is a disagreement between the SBA and the contracting procurement agency, the appropriate House and Senate

committees with jurisdiction over the matter are informed.

Small Business Innovation Research (SBIR) Program and the Small Business Technology Transfer (STTR) Program are two crucial research and development programs. Through these two competitive initiatives, the Small Business Administration, SBA, ensures that the nation's small, high-tech, innovative businesses are a significant part of the federal government's research and development efforts. Created by Congress in 1982, SBIR is the largest government-wide research and development initiative in existence. According to SBA, eleven federal departments participate in the SBIR program, and five departments participate in the STTR program, awarding \$2 billion to small high-tech businesses.

The legislation that we are considering today updates the SBIR program, bringing into step with today's technologically-driven world. It will both increase access to SBIR funding, and work to leverage the advances made by small businesses to benefit the competitiveness of the U.S. economy.

Madam Chairman, this legislation includes provisions designed to encourage more small firms to apply for SBIR and STTR awards. It doubles the size of SBIR and STTR awards for Phase I and Phase II grants, and provides access to technical assistance. This legislation also places an emphasis on areas where further research is particularly needed, providing incentives for small business innovation research on alternative fuels and orphan diseases. Through these provisions, this legislation speaks both to the needs of small businesses and of the broader American population.

Madam Chairman, I am particularly pleased that this legislation establishes an initiative to diversify participation in these important programs. This legislation aims to increase participation by small businesses located in underrepresented geographic areas, as well as those owned and controlled by women, veterans, and minorities. I believe this provision will both diversify the program and increase competition for the important awards.

Further, the act increases partnerships between SBIR awardees and prime contractors, venture capital operating companies, and larger businesses. This act has laudable goals and will ensure that small businesses have at their disposal more advanced technology that can be used for the development of our local communities. This act ensures that the technology and innovation would be used to further small businesses and local economic development.

Madam Chairman, over the past 25 years the SBIR program has supported many of our nation's most successful entrepreneurial enterprises. Many of these small, innovative businesses have grown into powerful technical companies that have kept the United States on the cutting edge of technological enterprise. Today, by voting for this legislation, we are making sure that this important program is of the maximum benefit both to American entrepreneurs and to all the citizens of this nation.

I strongly urge my colleagues to join me in supporting this important legislation.

Mr. MANZULLO. Madam Chairman, I rise in reluctant opposition to the SBIR/STTR Reauthorization Act (H.R. 5819). I am a long-time supporter of the Small Business Innovative

Research, SBIR, and the Small Business Technology Transfer, STTR, program because it requires federal agencies with at least a \$100 million research and development, R&D, budget to set aside a certain percentage of awards for small firms. The SBIR program was created in 1982 because small businesses—the most innovative sector of our economy—received very few R&D awards. Almost the entire federal R&D budget back then went to large firms and academic institutions.

There are many good provisions in H.R. 5819. Section 102 increases the small business set-aside in the SBIR program from 2.5 percent to 3 percent. The SBIR awards come in three phases—Phase I is for start-ups; Phase II is for follow-on work; and Phase III is for commercialization of the product either in the form of government procurement or for sale in the marketplace. Section 103 increases the maximum award in Phase I from \$100,000 to \$750,000. For Phase II awards, the maximum award goes up from \$300,000 to \$2.2 million. There are no grant dollars for the Phase III or commercialization phase. In the past, few federal agencies had any interest in Phase III. However, H.R. 5819 contains several provisions, most particularly in Title IV, to encourage commercialization of products developed with SBIR awards.

However, Section 201 of H.R. 5819 opens up more of the SBIR program to small firms that have significant investments from venture capital (VC) companies. For the purposes of the SBIR program, a small firm would be considered to be independently owned and operated even with a majority share owned by VC firms. VC investments, unlike a bank loan, make the “owner” of the company no longer the true leader of the firm if venture capitalists own more than 50 percent of the firm. In other words, he or she doesn’t control the ultimate destiny or direction of the company—the “owner” has to take ultimate direction from the VC firms. The small business is no longer independently owned and operated. Thus, if a small company receives venture capital even from multiple sources to pursue Vaccine A but then sees the research going in a different direction to develop Vaccine B, the “owner” of the company will be compelled to complete the research on Vaccine A for which he or she received funding unless the “owner” receives permission from the venture capitalists to pursue Vaccine B.

The only limitations on VC investments in Section 201 for SBIR firms are that (1) no one single VC firm can own a majority of the tech company applying for a SBIR grant; (2) the VC firm does not control a majority of the seats on the tech company’s board of directors; (3) only “small” VCs, as defined in the bill as those VC firms employing 500 employees or less, can participate; and (4) a “corporate-owned” VC firm can only own up to 10 percent of a SBIR tech company and that a SBIR tech company can only have one investment from a corporate VC. My concerns are that the first two limitations can be easily evaded by creative VCs that set up multiple firms. The third limitation dealing with a small business definition of a VC encompasses almost every VC in the nation. The Small Business Administration (SBA) currently defines small venture capital firms as those with less than \$6.5 million in annual receipts. There is no need to change the small business definition of a VC.

In Section 110, H.R. 5819 also allows firms to apply directly for Phase II awards, bypassing the Phase I process. In my opinion, combining three key elements of H.R. 5819—dramatically higher awards (Section 103), allowing almost every VC in the nation to own more than a majority of a SBIR firm (Section 201), and bypassing Phase I (Section 110)—sets up a stage where VC-owned “small” firms will gobble up most of the money in the SBIR program. Then, there would be a dramatic drop-off in the number of truly very small and independently-owned companies in the SBIR program, particularly those looking for Phase I start-up funding.

During my tenure as Chairman of the House Small Business Committee, I spent a lot of time and effort trying to solve the specific problem of the eligibility of some small businesses with venture capital investments to participate in the SBIR program at the National Institutes of Health (NIH). After the Defense Department, the NIH is the second-largest spender of R&D funding in the federal government. This issue of the role of VC investment in SBIR companies seems primarily confined to NIH.

Section 201 in H.R. 5819 tries to solve a problem that is grossly exaggerated. It is a myth that small businesses with VC investments are unable to participate in the SBIR program at NIH because of a misinterpretation of the law by the SBA. In an impartial Government Accountability Office (GAO) study that was released in 2006, the GAO discovered that 17 percent of NIH SBIR awards, accounting for 18 percent of the dollar value, went to small businesses with VC investments in Fiscal Year 2004. These small firms had no problem in complying with SBA guidelines. Nevertheless, I tried to proffer a compromise to establish a two-year pilot SBIR-like program to set-aside 0.5 percent of NIH R&D funding for smaller firms that receive a preponderance of their funding from VCs and do not own or control their company. Unfortunately, my compromise was rejected by NIH and by the biotech and VC industries. However, the solution contained in Section 201 is a dramatic overreach in the effort to solve this specific problem with NIH.

Finally, the Bush Administration shares my concern on this issue. According to the Statement of Administration Policy issued on April 22, 2008, “the Administration believes that H.R. 5819 goes too far in relaxing constraints on venture capital ownership of firms receiving SBIR and STTR funds, which could lead to inappropriate subsidization of well-capitalized businesses that do not warrant funding through a set-aside program. The Administration is reviewing whether venture capital funding of businesses receiving SBIR and STTR funds could be expanded through reforms of SBA regulations without inappropriately providing Federal commercialization subsidies to well-capitalized businesses.”

Thus, for these reasons, I urge my colleagues to oppose H.R. 5819.

Ms. ESHOO. Madam Chairman, I rise today in support of H.R. 5819, the SBIR/STTR Reauthorization Act.

The Small Business Innovation Research, SBIR, and Small Business Technology Transfer, STTR, programs are important sources of Federal support to facilitate the commercialization of research. Updating these programs will ensure the continuation of the central role they

play in maintaining the preeminence of the U.S. research enterprise.

The importance of fostering public-private partnerships cannot be underestimated. I see firsthand all the aspects of the innovation process, because my Congressional district contains basic research institutions, hundreds of current and former SBIR- and STTR-awarded companies, and venture capital firms. The SBIR and STTR programs facilitate the transition of technologies to the market. The important changes made by this reauthorization include increasing the award guideline levels, establishing advisory boards to improve program effectiveness and outcomes, and emphasizing the importance of energy-related research proposals.

A key aspect of the debate surrounding this reauthorization has been whether or not venture capital-backed companies should be eligible to participate in the SBIR program. Small businesses with a proven ability to attract venture funding should not be excluded.

The original legislation which created the program stated that no federal funds could be used for the Phase 3 commercialization state of an SBIR award, requiring award recipients to seek venture capital and other private sector funding. Preventing those companies from returning to the program for a different project undermines its very objective of bringing more technologies to the market. A small business that wins an SBIR and then attracts VC funds has a proven ability to succeed, yet may have insufficient resources to pursue new research projects. These companies should be eligible to continue to participate in the program and I’m pleased to see that the reauthorization before us today maintains this position.

Let me remind my colleagues that Congress did not authorize a policy change to prohibit venture-backed companies from participating in the program. A ruling by an SBA administrative law judge made this interpretation and seriously damaged the program by disqualifying many good companies. Today we clarify the language and get the SBIR program back on the right track, without excluding small businesses which have successfully obtained venture capital funding for other technologies.

I know there are concerns that this bill’s increase in the percentage of research funds that are directed to the SBIR and STTR programs will detract from the core research missions of the agencies. This is a particular concern for the NIH which has been working under a constrained budget over the last several years. We need to continue to increase funding at the NIH and other research agencies, and we should consider the impact of increasing the SBIR and STTR set-aside as the bill moves forward in the legislative process.

I hope the House will demonstrate strong bipartisan support for this bill to ensure that the innovators and entrepreneurs of our country continue to have Federal assistance to transition their research and ideas out of the labs and into the marketplace. I urge the entire House to support this important legislation.

Mrs. JONES of Ohio. Madam Chairman, I rise today in support of H.R. 5819, a bill that will reauthorize the Small Business Innovation Research—SBIR, and Small Business Technology Transfer, STTR, programs through 2010.

I support these programs because they provide a much needed boost in business innovation and job creation throughout the country.

These programs address the needs of our current struggling economy by providing funds to small businesses that work with universities or perform cutting-edge research related to the missions of our different federal agencies.

According to the House Science and Technology Committee, these two programs provide the most federal support—about \$2.3 billion annually—for private-sector technology innovation by small businesses. In these tough economic times, small business innovation becomes an increasingly vital asset to our economy. In my home State of Ohio, the SBIR program has made a significant contribution to the economy by providing \$83 million in awards to small businesses in 2005 and 2006.

As a representative of a congressional district that is home to more than five major medical institutions, I am keenly aware of the role the SBIR program has played in fostering medical breakthroughs. I am very interested in promoting the ability of our researchers to explore and pursue cutting-edge medical advancements and believe that the SBIR program is critical to ensuring that promising medical innovations can move forward.

I am particularly pleased that this legislation includes an annual \$10 million competitive grant program that will provide support and assistance for women, veterans, and minority-owned businesses. In today's fast paced economy, minority businesses are steadily expanding their presence and are increasingly a driving force in the economy.

Today, minorities own over four million firms, generating nearly \$700 billion in yearly revenue and employing over 7 million workers. People of color across the country have embraced business ownership and this legislation will allow more of these firms to participate in Federal research and development activities.

I urge my colleagues to support the passage of H.R. 5819.

Mrs. TAUSCHER, Madam Chairman, I rise today in support of H.R. 5819, the Small Business Innovation Research, SBIR, and Small Business Technology Transfer, STTR, Reauthorization Act.

I thank my colleague from New York, Ms. VELÁZQUEZ, for bringing this bill to the floor today. This legislation would ensure that innovative small businesses in my district and across the country have access to the Federal support they need to conduct research and development and to transform their work into commercially viable products.

Helping small businesses stimulates our economy. Small businesses account for 99 percent of all employers in the United States and are responsible for generating more than half of all new jobs. In particular, the East Bay area of California has hosted countless small business success stories. Throughout my time in Congress, I have been committed to helping these entrepreneurs thrive. This is why I formed a Small Business Advisory Group, which keeps me personally connected with issues affecting small businesses in my district.

Frequently, small business owners need assistance obtaining Federal contracts and grants. To this end, I regularly host seminars to teach small business owners how to apply for grants and contracts, and I work with the Small Business Administration to ensure that underrepresented entrepreneurs like women and minorities are helped to be competitive.

Likewise, I am proud to support this bill, which would encourage greater participation in

STTR and SBIR—programs that help small business innovators connect with research institutions and explore their own technological potential, contribute to the marketplace, and profit from commercialization.

This bill would also expand SBIR eligibility to include venture-backed businesses like biomedical firms, whose advances have been critical to the ongoing competitiveness of America's economy. Finally, the bill proposes a \$10,000,000 Federal grants program to reach out to small firms owned and controlled by women and minorities and small businesses located in areas that are underrepresented in the SBIR program.

Madam Chairman, this bill would give small businesses access to resources that will facilitate discoveries, create jobs, and energize our economy. I commend Ms. VELÁZQUEZ for her leadership on this issue, and I urge my colleagues to join me in supporting the bill.

Mr. JOHNSON of Georgia. Madam Chairman, I rise today in support of H.R. 5819. The Small Business Innovation and Research and Small Business Technology Transfer programs are a critical means of supporting small businesses' research and innovative competitiveness and their technology training and technology exchange.

This bill will increase the number of small firms that can take advantage of these valuable programs by requiring federal agencies to spend at least 3 percent of their annual research and development budgets on these programs. In addition, it will increase the maximum research and technology transfer awards so that these funds are adjusted for inflation and other changes in the economy. These changes will make SBIR and STTR programs available to more businesses and increase the impact they will have on those firms. I am extremely supportive of these provisions and strongly endorse the inclusion of them in this bill.

I think it is important, however, to raise concerns about another section of the bill. Section 201 changes the definition of a small business. It clarifies that businesses that receive the backing of venture capital firms can still be considered small for the purposes of the SBIR and STTR programs. Specifically, the bill permits a small firm that is 100 percent backed by venture capital to be defined as long as not one venture capital firm owns more than 49 percent of the business and those venture capital companies have fewer than 100 employees. In addition, the bill permits large venture capital firms to have up to a 10 percent stake in the small business without jeopardizing the small company's SBIR and STTR eligibility.

These changes to the definition of a small business are disconcerting. Although in this bill they are limited to the SBIR and STTR programs, these provisions establish a dangerous precedent that could pave the way for further alteration of the small business definition. Expanding the eligibility of small business programs to large or venture-capital-funded small businesses puts at risk the success and support of those companies that are truly independently owned and operated. I support H.R. 5819, but because of Section 201, I do so with reservations.

Mr. BRALEY of Iowa. Madam Chairman, I rise today in strong support of H.R. 5919, the SBIR/STTR Reauthorization Act. It is essential to reauthorize this program before it expires

on October 1, 2008 and to implement the updates to this program included in the bill. As the Chairman of the Small Business Subcommittee on Contracting and Technology, I understand the importance of this program to small businesses who want to turn their raw ideas into innovative solutions.

I want to thank Small Business Chairwoman NYDIA VELÁZQUEZ and Ranking Member CHABOT for their work on this legislation. I am continually impressed by the ability of the Small Business Committee to work in a bipartisan manner on legislation that benefits U.S. small businesses. Based on their track record, it is no surprise this bill passed the Small Business Full Committee by a vote of 22-0.

The SBIR Program provides grants to help small businesses through the critical initial stages of product development. The SBIR/STTR Reauthorization Act will address national security priorities and economic development. It will also help in the development of life-saving medical technologies, therapies, and products.

Small Businesses are a primary source of innovation and they can keep us on the forefront of technological advances. I am pleased this bill includes language that will increase participation of small businesses from rural areas, and from minority- and women-owned businesses.

Increased participation will also increase competition. It is important to ensure that taxpayer money is being used to fund the best opportunities for advances in technology. Funding the research we're trying to create is a key objective of this program.

I am also pleased this bill increases the size of maximum awards for the SBIR Program. The current limits have not been raised in 16 years. The SBIR Program is a critical source of funding for early stage research and development and the awards need to be realistic for developments in science and technology.

The SBIR/STTR Reauthorization Act will provide small businesses with the funding and guidance they need to succeed. These small businesses are a big part of the solution for helping us emerge from the difficult economic conditions we face today.

It will also ensure these businesses remain competitive in the global environment they must now compete in. We must give these businesses the support they need to grow. I encourage my colleagues to support this important legislation.

Ms. VELÁZQUEZ. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment is as follows:

H.R. 5819

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the "SBIR/STTR Reauthorization Act".

(b) *TABLE OF CONTENTS.*—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—MODERNIZING THE SBIR AND STTR PROGRAMS

- Sec. 101. Extension of termination dates.
- Sec. 102. Increased SBIR and STTR set-asides.
- Sec. 103. Increased SBIR and STTR award levels.
- Sec. 104. Establishment of SBIR advisory boards.
- Sec. 105. Increase in amount of technical assistance funds and option to purchase technical assistance directly.
- Sec. 106. Increased number of research topic solicitations annually and shortened period for final decisions on applications.
- Sec. 107. Inclusion of energy-related research topics and rare-disease-related research topics as deserving "special consideration" as SBIR research topics.
- Sec. 108. Agencies should fund vital R&D projects with the potential for commercialization.
- Sec. 109. Federal agency engagement with SBIR awardees that have been awarded multiple Phase One awards but have not been awarded Phase Two awards.
- Sec. 110. Limitation on certain awards.
- Sec. 111. Comptroller General audit of how Federal agencies calculate extramural research budgets.

TITLE II—VENTURE CAPITAL INVESTMENT STANDARDS

- Sec. 201. Ensuring that innovative small businesses with substantial investment from venture capital operating companies are able to participate in the SBIR program.

TITLE III—SBIR AND ECONOMIC DEVELOPMENT

- Sec. 301. Reauthorization and modernization of Federal and State Technology Partnership Program (FAST).
- Sec. 302. Obtaining SBIR applicant's consent to release contact information to economic development organizations.

TITLE IV—ADVANCING COMMERCIALIZATION OF SBIR-FUNDED RESEARCH

- Sec. 401. Clarifying the definition of "Phase Three".
- Sec. 402. Agency research goals.
- Sec. 403. Express authority for an agency to award sequential Phase Two awards for SBIR-funded projects.
- Sec. 404. Increased partnerships between SBIR awardees and prime contractors, venture capital investment companies, and larger businesses.
- Sec. 405. Express authority to "fast-track" Phase Two awards for promising Phase One research.
- Sec. 406. Commercialization programs.
- Sec. 407. Report on efforts to enhance manufacturing activities.

TITLE V—SUPPORTING PROGRAM UTILIZATION

- Sec. 501. Agency databases to support program evaluation.
- Sec. 502. Agency databases to support technology utilization.
- Sec. 503. Interagency Policy Committee.
- Sec. 504. Nanotechnology-related research topics.
- Sec. 505. Rural preference.

TITLE VI—IMPLEMENTATION

- Sec. 601. Conforming amendments to the SBIR and STTR policy directives.
- Sec. 602. National Research Council SBIR Study.

TITLE I—MODERNIZING THE SBIR AND STTR PROGRAMS

SEC. 101. EXTENSION OF TERMINATION DATES.

(a) SBIR.—Section 9(m) of the Small Business Act (15 U.S.C. 638(m)) is amended by striking "2008" and inserting "2010".

(b) STTR.—Section 9(n)(1)(A) of the Small Business Act (15 U.S.C. 638(n)(1)(A)) is amended by striking "2009" and inserting "2010".

SEC. 102. INCREASED SBIR AND STTR SET-ASIDES.

(a) SBIR.—Section 9(f)(1) of the Small Business Act (15 U.S.C. 638(f)(1)) is amended—

(1) in subparagraph (B) by striking "and" at the end;

(2) in subparagraph (C) by striking "in each fiscal year thereafter," and inserting "in each of fiscal years 1997 through 2008; and" and

(3) by adding after subparagraph (C) the following:

"(D) not less than 3.0 percent of such budget in each fiscal year thereafter,".

(b) STTR.—Section 9(n)(1)(B) of the Small Business Act (15 U.S.C. 638(n)(1)(B)) is amended—

(1) in clause (i), by striking "and" at the end;

(2) in clause (ii), by striking "fiscal year 2004 and each fiscal year thereafter." and inserting "each of fiscal years 2004 through 2008; and"; and

(3) by adding after clause (ii) the following new clause:

"(iii) 0.6 percent for fiscal year 2009 and each fiscal year thereafter,".

SEC. 103. INCREASED SBIR AND STTR AWARD LEVELS.

(a) SBIR AWARD LEVEL.—Section 9(j)(2)(D) of the Small Business Act (15 U.S.C. 638(j)(2)(D)) is amended by striking "\$100,000" and "\$750,000", and inserting "\$300,000" and "\$2,200,000", respectively.

(b) STTR AWARD LEVEL.—Section 9(p)(2)(B)(ix) of the Small Business Act (15 U.S.C. 638(p)(2)(B)(ix)) is amended by striking "\$100,000" and "\$750,000" and inserting "\$300,000" and "\$2,200,000", respectively.

(c) ANNUAL ADJUSTMENTS.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended—

(1) in subsection (j)(2)(D), by striking "and an adjustment of such amounts once every 5 years to reflect economic adjustments and programmatic considerations" and inserting "and a mandatory annual adjustment of such amounts to reflect economic adjustments and programmatic considerations"; and

(2) in subsection (p)(2)(B)(ix), by striking "greater or lesser amounts" and inserting "with a mandatory annual adjustment of such amounts to reflect economic adjustments and programmatic considerations, and with lesser amounts".

(d) LIMITATION ON CERTAIN AWARDS.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

"(z) LIMITATION ON PHASE I AND II AWARDS.—

"(1) IN GENERAL.—No Federal agency shall issue an award under the SBIR program or the STTR program if the size of the award exceeds the amounts established under subsections (j)(2)(D) and (p)(2)(B)(ix), except as provided in paragraph (2).

"(2) EXCEPTION.—The prohibition in paragraph (1) does not apply to an agency for a fiscal year if the head of the agency—

"(A) notifies the Administrator that the agency intends to issue awards in that fiscal year without regard to the prohibition in paragraph (1); and

"(B) reports to the Committee on Small Business and the Committee on Science and Technology of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate at least annually the number of instances in which the agency issued an award that exceeds the amounts referred to in paragraph (1) and the justification for each such instance.".

SEC. 104. ESTABLISHMENT OF SBIR ADVISORY BOARDS.

(a) IN GENERAL.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended by inserting after subsection (z) the following:

"(aa) SBIR ADVISORY BOARDS.—

"(1) ADVISORY BOARDS REQUIRED.—Each Federal agency that is required by this section to conduct an SBIR program and that administers annually \$50,000,000 or more in SBIR grants shall have an SBIR advisory board.

"(2) MEMBERS.—For each advisory board required by paragraph (1), the members of the advisory board shall include—

"(A) at least two individuals who are employees of the agency;

"(B) at least two representatives of private sector technology firms; and

"(C) such other individuals as the agency considers appropriate.

"(3) SECURITY CLEARANCES.—Where it is appropriate to the work of an advisory board required by paragraph (1) that the members and staff of the advisory board have a security clearance, the appropriate departments and agencies of the executive branch shall cooperate with the advisory board to expeditiously provide members and staff with appropriate security clearances to the extent possible under applicable procedures and requirements.

"(4) MEETINGS.—Each advisory board required by paragraph (1) shall meet at least two times per year.

"(5) DUTIES.—Each advisory board required by paragraph (1) shall—

"(A) review the quarterly reports submitted under subsection (g)(8);

"(B) make recommendations to the agency about potential modifications to the agency's SBIR program that are intended to—

"(i) encourage applications, particularly applications from small business concerns owned and controlled by women, small business concerns owned and controlled by minorities, and small business concerns in States and regions that historically receive few SBIR awards; and

"(ii) support commercialization of Federal research funded by SBIR awards; and

"(C) submit to the Committee on Small Business and the Committee on Science and Technology of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate an annual report on the SBIR program conducted by the agency.

"(6) CONTENTS OF ANNUAL REPORT.—The annual report required by paragraph (5)(C) shall include a description of how that agency's SBIR program is functioning and any recommendations of the advisory board for strengthening that agency's SBIR program. The annual report shall also state the number and dollar amount of awards under the agency's SBIR program, and under the agency's STTR program, that were made to small business concerns owned and controlled by women, small business concerns owned and controlled by minorities, small business concerns owned and controlled by veterans, and small business concerns in States and regions that historically receive few SBIR awards.

"(7) NON-APPLICABILITY OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to an advisory board required by paragraph (1)."

(b) AGENCY REPORTS TO SBIR ADVISORY BOARDS.—Section 9(g)(8) of the Small Business Act (15 U.S.C. 638(g)(8)) is amended by inserting before the semicolon at the end the following: "and, if the agency is required by subsection (aa) to have an SBIR advisory board, submit a quarterly report on the SBIR program to that SBIR advisory board".

SEC. 105. INCREASE IN AMOUNT OF TECHNICAL ASSISTANCE FUNDS AND OPTION TO PURCHASE TECHNICAL ASSISTANCE DIRECTLY.

Section 9(q) of the Small Business Act (15 U.S.C. 638(q)) is amended—

(1) in paragraph (1)—

(A) by striking “paragraph (2)” and inserting “paragraph (2)(A), or another Federal agency under paragraph (2)(B).”;

(B) by striking “and” at the end of subparagraph (C);

(C) by striking the period at the end of subparagraph (D) and inserting “; and”;

(D) by adding at the end the following new subparagraph:

“(E) implementing manufacturing processes and production strategies for utilization.”;

(2) by amending paragraph (2) to read as follows:

“(2) ASSISTANCE PROVIDERS.—

“(A) VENDOR SELECTION.—Each agency may select a vendor to assist small business concerns to meet the goals listed in paragraph (1) for a term not to exceed 3 years. Such selection shall be competitive and shall utilize merit-based criteria.

“(B) INTERAGENCY COLLABORATION.—In addition, each agency may enter into a collaborative agreement with the technical extension or assistance programs of other Federal agencies in order to provide the assistance described in paragraph (1).”;

(3) in paragraph (3)—

(A) in subparagraph (A) by striking “\$4,000” and inserting “\$5,000”;

(B) by amending subparagraph (B) to read as follows:

“(B) SECOND PHASE.—Each agency referred to in paragraph (1) may provide directly, or authorize any second phase SBIR award recipient to purchase with funds available from their SBIR awards, services described in paragraph (1), in an amount equal to not more than \$8,000 per year, per award.”;

(C) by adding at the end the following:

“(C) AUTHORITY TO OPT OUT.—The Administrator shall establish guidelines under which an award recipient eligible to receive services under subparagraph (A) may decline those services and receive instead an amount equal to not more than \$2,500, which shall be in addition to the amount of the recipient's award and which shall be used to purchase services described in paragraph (1).”.

SEC. 106. INCREASED NUMBER OF RESEARCH TOPIC SOLICITATIONS ANNUALLY AND SHORTENED PERIOD FOR FINAL DECISIONS ON APPLICATIONS.

(a) INCREASED NUMBER OF RESEARCH TOPIC SOLICITATIONS.—Section 9(g)(2) of the Small Business Act (15 U.S.C. 638(g)(2)) is amended by inserting before the semicolon at the end the following: “, but not less often than twice per year”.

(b) SHORTENED PERIOD FOR FINAL DECISIONS ON APPLICATIONS.—Section 9(g)(4) of that Act (15 U.S.C. 638(g)(4)) is amended—

(1) by inserting before the semicolon at the end the following: “: Provided, That if the agency is required by subsection (aa) to have an SBIR advisory board—”; and

(2) by adding at the end the following:

“(A) a final decision on each proposal shall be rendered not later than 90 days after the date on which the solicitation closes;

“(B) the SBIR advisory board may, on a case by case basis, extend the 90 days to 180 days; and

“(C) the SBIR advisory board shall include in each annual report to Congress under subsection (aa) a statement identifying how many times a decision was not rendered in 90 days, how many times an extension was granted, and how many times a decision was not rendered in 180 days.”.

SEC. 107. INCLUSION OF ENERGY-RELATED RESEARCH TOPICS AND RARE-DISEASE-RELATED RESEARCH TOPICS AS DESERVING “SPECIAL CONSIDERATION” AS SBIR RESEARCH TOPICS.

Section 9(g)(3) of the Small Business Act (15 U.S.C. 638(g)(3)) is amended—

(1) in the matter preceding subparagraph (A) by inserting after “critical technologies” the following: “or pressing research priorities”;

(2) at the end of subparagraph (A) by striking “or”;

(3) by adding at the end the following:

“(C) the National Academy of Sciences, in the final report issued by the ‘America’s Energy Future: Technology Opportunities, Risks, and Tradeoffs’ project, and in subsequent reports issued by the National Academy of Sciences on sustainability, energy, and alternative fuels;

“(D) the National Institutes of Health, in the annual report on the rare diseases research activities of the National Institutes of Health for fiscal year 2005, and in subsequent reports issued by the National Institutes of Health on rare diseases research activities; or”.

SEC. 108. AGENCIES SHOULD FUND VITAL R&D PROJECTS WITH THE POTENTIAL FOR COMMERCIALIZATION.

Section 9(j)(2) of the Small Business Act (15 U.S.C. 638(j)(2)), as amended by section 103, is further amended—

(1) in subparagraph (H) by striking “and” at the end;

(2) in subparagraph (I) by striking the period at the end and inserting “; and”;

(3) by adding at the end the following:

“(J) procedures to ensure that the Administrator, on an annual basis, submits to the Committee on Small Business and the Committee on Science and Technology of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a list identifying each small business concern that, for the period covered by the preceding 5 fiscal years, received 15 or more first phase SBIR awards and no second phase SBIR awards.”.

SEC. 109. FEDERAL AGENCY ENGAGEMENT WITH SBIR Awardees THAT HAVE BEEN AWARDED MULTIPLE PHASE ONE AWARDS BUT HAVE NOT BEEN AWARDED PHASE TWO AWARDS.

Section 9(j) of the Small Business Act (15 U.S.C. 638(j)) is amended by adding at the end the following:

“(4) REQUIREMENTS RELATING TO FEDERAL AGENCY ENGAGEMENT WITH CERTAIN FIRST PHASE SBIR Awardees.—The Administrator shall modify the policy directives issued pursuant to this subsection to provide for each Federal agency required by this section to conduct an SBIR program to engage with SBIR awardees that have been awarded multiple first phase SBIR awards but have not been awarded any second phase SBIR awards and to develop performance metrics to measure awardee progression in the SBIR program.”.

SEC. 110. LIMITATION ON CERTAIN AWARDS.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

“(bb) SUBSEQUENT PHASES.—

“(1) IN GENERAL.—A small business concern which received an award from a Federal agency under this section shall be eligible to receive an award for a subsequent phase from another Federal agency, if the head of each relevant Federal agency makes a written determination that the topics of the relevant awards are the same.

“(2) CROSSOVER BETWEEN PROGRAMS.—A small business concern which received an award under this section under the SBIR program or the STTR program may, at the discretion of the granting agency, receive an award under this section for a subsequent phase in either the SBIR program or the STTR program.

“(3) PHASE II SBIR APPLICATIONS.—An agency may permit an applicant to apply directly for a Phase II award, as described in subsection (e)(4)(B), without first completing a Phase I award, as described in subsection (e)(4)(A), if the applicant can demonstrate that project feasibility was achieved without SBIR or other Federal funding.

“(4) PHASE II STTR APPLICATIONS.—An agency may permit an applicant to submit proposals for Phase II awards, as described in subsection (e)(6)(B), without first completing a Phase I

award, as described in subsection (e)(6)(A), if the applicant can demonstrate it has accomplished Phase I through cooperative research and development achieved without STTR or other Federal funding.

“(cc) WAIVER OF MINIMUM WORK REQUIREMENT.—A Federal agency making an SBIR or STTR award under this section may waive the minimum small business concern or research institution work requirements under subsection (e)(7) if the agency determines that to provide such waiver would be consistent with the purposes of this section and consistent with achieving the objectives of the award proposal.”.

SEC. 111. COMPTROLLER GENERAL AUDIT OF HOW FEDERAL AGENCIES CALCULATE EXTRAMURAL RESEARCH BUDGETS.

The Comptroller General of the United States shall carry out a detailed audit of how Federal agencies calculate extramural research budgets for purposes of calculating the size of the agencies’ Small Business Innovation Research and Small Business Technology Transfer budgets. Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit to the Committee on Small Business and the Committee on Science and Technology of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report on the results of the audit.

TITLE II—VENTURE CAPITAL INVESTMENT STANDARDS

SEC. 201. ENSURING THAT INNOVATIVE SMALL BUSINESSES WITH SUBSTANTIAL INVESTMENT FROM VENTURE CAPITAL OPERATING COMPANIES ARE ABLE TO PARTICIPATE IN THE SBIR PROGRAM.

Section 9(e) of the Small Business Act (15 U.S.C. 638(e)) is amended by striking “and” at the end of paragraph (8), striking the period at the end of paragraph (9) and inserting “; and”, and adding at the end the following:

“(10) effective only for the SBIR and STTR programs, and notwithstanding any provision in section 3 to the contrary, the following shall apply:

“(A) A business concern that has more than 500 employees shall not qualify as a small business concern.

“(B) In determining whether a small business concern is independently owned and operated under section 3(a)(1) or meets the small business size standards instituted under section 3(a)(2), the Administrator shall not consider a business concern to be affiliated with a venture capital operating company (or with any other business that the venture capital operating company has financed) if—

“(i) the venture capital operating company does not own 50 percent or more of the business concern; and

“(ii) employees of the venture capital operating company do not constitute a majority of the board of directors of the business concern.

“(C) A business concern shall be deemed to be ‘independently owned and operated’ if—

“(i) it is owned in majority part by one or more natural persons or venture capital operating companies;

“(ii) there is no single venture capital operating company that owns 50 percent or more of the business concern; and

“(iii) there is no single venture capital operating company the employees of which constitute a majority of the board of directors of the business concern.

“(D) To be eligible to receive an award under the SBIR or STTR program, a small business concern may not have an ownership interest by more than one venture capital operating company controlled by a business with more than 500 employees, and that venture capital operating company may not own more than 10 percent of that small business concern.

“(E) The term ‘venture capital operating company’ means a business concern—

“(i) that—

“(I) is a Venture Capital Operating Company, as that term is defined in regulations promulgated by the Secretary of Labor; or

“(II) is an entity that—

“(aa) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a–51 et seq.); or

“(bb) is an investment company, as defined in section 3(c)(14) of such Act (15 U.S.C. 80a–3(c)(14)), which is not registered under such Act because it is beneficially owned by less than 100 persons; and

“(ii) that is itself organized or incorporated and domiciled in the United States, or is controlled by a business concern that is incorporated and domiciled in the United States.”.

TITLE III—SBIR AND ECONOMIC DEVELOPMENT

SEC. 301. REAUTHORIZATION AND MODERNIZATION OF FEDERAL AND STATE TECHNOLOGY PARTNERSHIP PROGRAM (FAST).

Section 9 of the Small Business Act (15 U.S.C. 638) is amended by inserting after subsection (r) the following:

“(s) OUTREACH AND SUPPORT ACTIVITIES.—

“(1) IN GENERAL.—Subject to the other provisions of this subsection, the Administrator shall make grants on a competitive basis to organizations, to be used by the organizations to do one or both of the following:

“(A) To conduct outreach efforts to increase participation in the programs under this section.

“(B) To provide application support and entrepreneurial and business skills support to prospective participants in the programs under this section.

“(2) PROGRAM AUTHORITY.—Of the amounts made available to carry out this section for each of fiscal years 2009 through 2010, the Administrator may expend not more than \$10,000,000 in each such fiscal year to carry out paragraph (1).

“(3) AMOUNT OF ASSISTANCE.—For each of subparagraphs (A) and (B) of paragraph (1), the amount of assistance provided to an organization under that subparagraph in any fiscal year—

“(A) shall be equal to the total amount of matching funds from non-Federal sources provided by the organization; and

“(B) shall not exceed \$250,000.

“(4) DIRECTION.—An organization receiving funds under paragraph (1) shall, in using those funds, direct its activities at one or both of the following:

“(A) Small business concerns located in geographic areas that are underrepresented in the programs under this section.

“(B) Small business concerns owned and controlled by women, small business concerns owned and controlled by service-disabled veterans, and small business concerns owned and controlled by minorities.

“(5) ADVISORY BOARD.—

“(A) ESTABLISHMENT.—Not later than 90 days after the date of the enactment of this subsection, the Administrator shall establish an advisory board for the activities carried out under this subsection.

“(B) NON-APPLICABILITY OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory board.

“(C) MEMBERS.—The members of the advisory board shall include the following:

“(i) The Administrator (or the Administrator's designee).

“(ii) For each Federal agency required by this section to conduct an SBIR program, the head of the agency (or the designee of the head of the agency).

“(iii) Representatives of small business concerns that are current or former recipients of SBIR awards, or representatives of organizations of such concerns.

“(iv) Representatives of service providers of SBIR outreach and assistance, or representatives of organizations of such service providers.

“(D) DUTIES.—The advisory board shall have the following duties:

“(i) To develop guidelines for awards under paragraph (1)(A), including guidelines relating to award sizes, proposal requirements, metrics for monitoring awardee performance, and metrics for measuring overall value of the activities carried out by the awardees.

“(ii) To identify opportunities for coordinated outreach, technical assistance, and commercialization activities among Federal agencies, the recipients of the awards under paragraph (1)(A), and applicants and recipients of SBIR awards, including opportunities such as—

“(I) podcasting or webcasting for conferences, training workshops, and other events;

“(II) shared online resources to match prospective applicants with the network of paragraph (1)(A) recipients; and

“(III) venture capital conferences tied to technologies and sectors that cross agencies.

“(iii) To review and recommend revisions to activities under paragraph (1)(A).

“(iv) To submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business and the Committee on Science and Technology of the House of Representatives an annual report on the activities carried out under paragraph (1)(A) and the effectiveness and impact of those activities.

“(6) SELECTION CRITERIA.—In awarding grants under this subsection, the Administrator shall use selection criteria developed by the advisory board established under paragraph (5). The criteria shall include—

“(A) criteria designed to give preference to applicants who propose to carry out activities that will reach either an underperforming geographic area or an underrepresented population group (as measured by the number of SBIR applicants);

“(B) criteria designed to give preference to applicants who propose to carry out activities that complement, and are integrated into, the existing public-private innovation support system for the targeted region or population; and

“(C) criteria designed to give preference to applicants who propose to measure the effectiveness of the proposed activities.

“(7) PEER REVIEW.—In awarding grants under this subsection, the Administrator shall use a peer review process. Reviewers shall include—

“(A) SBIR program managers for agencies required by this section to conduct SBIR programs; and

“(B) private individuals and organizations that are knowledgeable about SBIR, the innovation process, technology commercialization, and State and regional technology-based economic development programs.

“(8) PER-STATE LIMITATIONS.—

“(A) IN GENERAL.—To be eligible to receive a grant under this subsection, the applicant must have the written endorsement of the Governor of the State where the targeted regions or populations are located (if the regions or populations are located in more than one State, the applicant must have the written endorsement of the Governor of each such State). Such an endorsement must indicate that the Governor will ensure that the activities to be carried out under the grant will be integrated with the balance of the State's portfolio of investments to help small business concerns commercialize technology.

“(B) LIMITATION.—Each fiscal year, a Governor may have in effect not more than one written endorsement for a grant under paragraph (1)(A), and not more than one written endorsement for a grant under paragraph (1)(B).

“(9) SPECIFIC REQUIREMENTS FOR FAST AWARDS.—In making awards under paragraph (1)(A) (to be known as ‘FAST’ awards) the Administrator shall ensure the following:

“(A) GOALS.—Priority shall be given applications that address one or more of the following goals:

“(i) Increasing the number of SBIR applications from underperforming geographic areas (as measured by the number of SBIR applicants).

“(ii) Increasing the number of SBIR applications from underrepresented population groups (as measured by the number of SBIR applicants).

“(B) DURATION.—Each award shall be for a period of 2 fiscal years. The Administrator shall establish rules and performance goals for the disbursement of funds for the second fiscal year, and funds shall not be disbursed to a recipient for such a fiscal year until after the advisory board established under this subsection has determined that the recipient is in compliance with the rules and performance goals.”.

SEC. 302. OBTAINING SBIR APPLICANT'S CONSENT TO RELEASE CONTACT INFORMATION TO ECONOMIC DEVELOPMENT ORGANIZATIONS.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended in subsection (s) (as added by this title) by adding at the end the following:

“(5) CONSENT TO RELEASE CONTACT INFORMATION TO ORGANIZATIONS.—

“(A) ENABLING CONCERN TO GIVE CONSENT.—Each Federal agency required by this section to conduct an SBIR program shall enable a small business concern that is an SBIR applicant to indicate to the agency whether the agency has its consent to—

“(i) identify the concern to appropriate local and State-level economic development organizations as an SBIR applicant; and

“(ii) release the concern's contact information to such organizations.

“(B) RULES.—The Administrator shall establish rules to implement this paragraph. The rules shall include a requirement that the agency include in its SBIR application forms a provision through which the applicant can indicate consent for purposes of subparagraph (A).”.

TITLE IV—ADVANCING COMMERCIALIZATION OF SBIR-FUNDED RESEARCH

SEC. 401. CLARIFYING THE DEFINITION OF “PHASE THREE”.

Section 9(e) of the Small Business Act (15 U.S.C. 638(e)) is amended—

(1) in paragraph (4)(C)—

(A) in the matter preceding clause (i) by inserting after “a third phase” the following: “, which shall consist of work that derives from, extends, or logically concludes efforts performed under prior SBIR funding agreements (which may be referred to as ‘Phase III’)”; and

(B) in clause (i) by inserting after “non-SBIR Federal funding awards” the following: “: Provided, That for purposes of this clause, such sources of capital and such funding awards include private investment, private research, development, testing, and evaluation (RDT&E) awards, private sales or licenses, government RDT&E contracts and awards, and government sales”;

(2) in paragraph (8) by striking “and” at the end;

(3) in paragraph (9) by striking the period at the end and inserting “; and”; and

(4) by adding at the end the following:

“(10) the term ‘commercialization’ means the process of developing marketable products or services and producing and delivering products or services for sale (whether by the originating party or by others) to government or commercial markets.”.

SEC. 402. AGENCY RESEARCH GOALS.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended by striking subsection (h) and inserting the following:

“(h) AGENCY RESEARCH GOALS.—

“(1) IN GENERAL.—In addition to the requirements of subsection (f), each Federal agency that is required by this section to have an SBIR program and that awards annually \$5,000,000,000 or more in procurement contracts shall, effective for fiscal year 2009 and each fiscal year thereafter, establish annual goals for commercialization of projects funded by SBIR awards.

“(2) SPECIFIC GOALS.—The goals required by paragraph (1) shall include specific goals for each of the following:

“(A) The percentage of SBIR projects that receive funding for the third phase (as defined in subsection (e)(4)(C)).

“(B) The percentage of SBIR projects that are successfully integrated into a program of record.

“(C) The amount of Federal dollars received by SBIR projects through Federal contracts, not including dollars received through the SBIR program.

“(3) SUBMISSION TO ADVISORY BOARD.—For each fiscal year for which goals are required by paragraph (1), the agency shall submit to the agency’s SBIR advisory board—

“(A) not later than 60 days after the beginning of the fiscal year, the goals; and

“(B) not later than 90 days after the end of the fiscal year, data on the extent to which the goals were met and a description of the methodology used to collect that data.”.

SEC. 403. EXPRESS AUTHORITY FOR AN AGENCY TO AWARD SEQUENTIAL PHASE TWO AWARDS FOR SBIR-FUNDED PROJECTS.

Section 9(j) of the Small Business Act (15 U.S.C. 638(j)) is amended by adding after paragraph (4) (as added by section 109) the following:

“(5) REQUIREMENTS RELATING TO ADDITIONAL SECOND PHASE SBIR AWARDS.—The Administrator shall modify the policy directives issued pursuant to this subsection to provide the following:

“(A) A small business concern that receives a second phase SBIR award for a project remains eligible to receive additional second phase SBIR awards.

“(B) Agencies are expressly authorized to provide additional second phase SBIR awards for testing and evaluation assistance for the insertion of SBIR technologies into technical or weapons systems.

“(C) Each agency that is required by subsection (aa) to have an SBIR advisory board shall include in the quarterly reports submitted under subsection (g)(8) the number of projects that have received additional second phase SBIR awards and the total dollar amount of those additional second phase SBIR awards.”.

SEC. 404. INCREASED PARTNERSHIPS BETWEEN SBIR Awardees AND PRIME CONTRACTORS, VENTURE CAPITAL INVESTMENT COMPANIES, AND LARGER BUSINESSES.

Section 9(j) of the Small Business Act (15 U.S.C. 638(j)) is amended by adding after paragraph (5) (as added by section 403) the following:

“(6) INCREASED PARTNERSHIPS.—Each agency required by this section to conduct an SBIR program shall establish initiatives by which the agency encourages partnerships between SBIR awardees and prime contractors, venture capital investment companies, and larger businesses, for the purpose of facilitating the progress of the SBIR awardees to the third phase. If the agency is required by subsection (aa) to have an SBIR advisory board, the advisory board shall include in each report submitted under subsection (aa) a description of the initiatives established and an assessment of the effectiveness of such initiatives.”.

SEC. 405. EXPRESS AUTHORITY TO “FAST-TRACK” PHASE TWO AWARDS FOR PROMISING PHASE ONE RESEARCH.

Section 9(j)(2)(G) of the Small Business Act (15 U.S.C. 638(j)(2)(G)) is amended by inserting before the semicolon at the end the following: “, and to encourage agencies to develop ‘fast-track’ programs to eliminate that delay by issuing second phase SBIR awards as soon as practicable, including in appropriate cases simultaneously with the issuance of the first phase SBIR award”.

SEC. 406. COMMERCIALIZATION PROGRAMS.

Section 9(j) of the Small Business Act (15 U.S.C. 638(j)) is amended by adding after paragraph (6) (as added by section 404) the following:

“(7) COMMERCIALIZATION PROGRAMS.—Each agency required by this section to conduct an

SBIR program shall establish a commercialization program that supports the progress of SBIR awardees to the third phase. The commercialization program may include activities such as partnership databases, partnership conferences, multiple second phases, mentoring between prime contractors and SBIR awardees, multiple second phases with matching private investment requirements, jumbo awards, SBIR helpdesks, and transition assistance programs. The agency shall include in its annual report an analysis of the various activities considered for inclusion in the commercialization program and a statement of the reasons why each activity considered was included or not included, as the case may be. If the agency is required by subsection (aa) to have an SBIR advisory board, the advisory board shall include in each report under subsection (aa) a statement identifying the number of SBIR awardees that successfully progressed to the third phase.

“(8) FUNDING FOR COMMERCIALIZATION PROGRAMS.—

“(A) IN GENERAL.—From amounts made available to carry out this paragraph, the Administrator may, on petition by agencies required by this section to conduct an SBIR program, transfer funds to such agencies to support the commercialization programs of such agencies.

“(B) PETITIONS.—The Administrator shall establish rules for making transfers under subparagraph (A). The initial set of rules shall be promulgated not later than 90 days after the date of the enactment of this paragraph.

“(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator to carry out this paragraph \$27,500,000 for fiscal year 2009 and each fiscal year thereafter.

“(9) FUNDING LIMITATION.—For payment of expenses incurred to administer the commercialization programs described in paragraphs (7) and (8), the head of the agency may use not more than an amount equal to 1 percent of the funds available to the agency pursuant to the Small Business Innovation Research program. Such funds—

“(A) shall not be subject to the limitations on the use of funds in subsection (f)(2); and

“(B) shall not be used for the purpose of funding costs associated with salaries and expenses of employees of the United States Government.”.

SEC. 407. REPORT ON EFFORTS TO ENHANCE MANUFACTURING ACTIVITIES.

Section 9(j) of the Small Business Act (15 U.S.C. 638(j)) is amended by adding after paragraph (9) (as added by section 406) the following:

“(10) EFFORTS TO ENHANCE MANUFACTURING ACTIVITIES.—If an agency is required by subsection (aa) to have an SBIR advisory board, the advisory board shall include in each report under subsection (aa) a part relating to efforts to enhance manufacturing activities, which shall include—

“(A) a comprehensive description of the actions undertaken each year by the SBIR and STTR programs of that agency in support of Executive Order 13329;

“(B) an assessment of the effectiveness of such actions toward enhancing the research and development of manufacturing technologies and processes; and

“(C) any recommendations that the program managers of the SBIR and STTR programs consider appropriate for additional actions to be undertaken in order to increase the effectiveness toward enhancing manufacturing activities within the defense industrial base.”.

TITLE V—SUPPORTING PROGRAM UTILIZATION

SEC. 501. AGENCY DATABASES TO SUPPORT PROGRAM EVALUATION.

Section 9(k) of the Small Business Act (15 U.S.C. 638(k)) is amended—

(1) in paragraph (2)(A)—

(A) by striking “and” at the end of clause (ii);
(B) by inserting “and” at the end of clause (iii); and

(C) by adding at the end the following new clause:

“(iv) information on the ownership structure of award recipients, both at the time of receipt of the award and upon completion of the award period;”.

(2) by amending paragraph (3) to read as follows:

“(3) UPDATING INFORMATION FOR DATABASE.—

“(A) IN GENERAL.—A Federal agency shall not make a Phase I or Phase II payment to a small business concern under this section unless the small business concern has provided all information required under this subsection with respect to the award under which the payment is made, and with respect to any other award under this section previously received by the small business concern or a predecessor in interest to the small business concern.

“(B) APPORTIONMENT.—In complying with this paragraph, a small business concern may apportion sales or additional investment information relating to more than one second phase award among those awards, if it notes the apportionment for each award.

“(C) ANNUAL UPDATES UPON TERMINATION.—A small business concern receiving an award under this section shall—

“(i) in the case of a second phase award, update information in the databases required under paragraphs (2) and (6) concerning that award at the termination of the award period;

“(ii) in the case of award recipients not described in clause (iii), be requested to voluntarily update such information annually thereafter for a period of 5 years; and

“(iii) in the case of a small business concern applying for a subsequent first phase or second phase award, be required to update such information annually thereafter for a period of 5 years.”; and

(3) by adding at the end the following new paragraph:

“(6) AGENCY PROGRAM EVALUATION DATABASES.—Each Federal agency required to establish an SBIR or STTR program under this section shall develop and maintain, for the purpose of evaluating such programs, a database containing information required to be contained in the database under paragraph (2). Each such database shall be designed to be accessible to other agencies that are required to maintain a database under this paragraph.”.

SEC. 502. AGENCY DATABASES TO SUPPORT TECHNOLOGY UTILIZATION.

Section 9(k) of the Small Business Act (15 U.S.C. 638(k)), as amended by this Act, is further amended by adding at the end the following new paragraph:

“(7) AGENCY DATABASES TO SUPPORT TECHNOLOGY UTILIZATION.—Each Federal agency with an SBIR or STTR program shall create and maintain a technology utilization database, which shall be available to the public and shall contain data supplied by the award recipients specifically to help them attract customers for the products and services generated under the SBIR or STTR project, and to attract additional investors and business partners. Each database created under this paragraph shall include information on the other databases created under this paragraph by other Federal agencies. Participation in a database under this paragraph shall be voluntary, except that such participation is required of all award recipients who received supplemental payments from SBIR and STTR program funds above their initial Phase II award.”.

SEC. 503. INTERAGENCY POLICY COMMITTEE.

(a) ESTABLISHMENT.—The Director of the Office of Science and Technology Policy shall establish an Interagency SBIR/STTR Policy Committee comprised of one representative from each Federal agency with an SBIR program.

(b) COCHAIRS.—The Director of the Office of Science and Technology Policy and the Director of the National Institute of Standards and Technology shall jointly chair the Interagency Policy Committee.

(c) DUTIES.—The Interagency Policy Committee shall review the following issues and make policy recommendations on ways to improve program effectiveness and efficiency:

(1) The public and government databases described in section 9(k)(1) and (2) of the Small Business Act (15 U.S.C. 638(k)(1) and (2)).

(2) Federal agency flexibility in establishing Phase I and II award sizes, and appropriate criteria to exercise such flexibility.

(3) Commercialization assistance best practices in Federal agencies with significant potential to be employed by other agencies, and the appropriate steps to achieve that leverage, as well as proposals for new initiatives to address funding gaps business concerns face after Phase II but before commercialization.

(d) REPORTS.—The Interagency Policy Committee shall transmit to the Committee on Science and Technology and the Committee on Small Business of the House of Representatives, and to the Committee on Small Business and Entrepreneurship of the Senate—

(1) a report on its review and recommendations under subsection (c)(1) not later than 1 year after the date of enactment of this Act;

(2) a report on its review and recommendations under subsection (c)(2) not later than 18 months after the date of enactment of this Act; and

(3) a report on its review and recommendations under subsection (c)(3) not later than 2 years after the date of enactment of this Act.

SEC. 504. NANOTECHNOLOGY-RELATED RESEARCH TOPICS.

(a) SBIR.—Section 9(g)(3) of the Small Business Act (15 U.S.C. 638(g)(3)), as amended by section 107, is further amended by adding at the end the following new subparagraph:

“(E) the national nanotechnology strategic plan required under section 2(c)(4) of the 21st Century Nanotechnology Research and Development Act (15 U.S.C. 7501(c)(4)) and in subsequent reports issued by the National Science and Technology Council Committee on Technology, focusing on areas of nanotechnology identified in such plan;”

(b) STTR.—Section 9(o)(1) of the Small Business Act (15 U.S.C. 638(o)(1)) is amended by inserting “, giving special consideration to topics that further 1 or more critical technologies, as identified by the national nanotechnology strategic plan required under section 2(c)(4) of the 21st Century Nanotechnology Research and Development Act (15 U.S.C. 7501(c)(4)) and in subsequent reports issued by the National Science and Technology Council Committee on Technology, focusing on areas of nanotechnology identified in such plan” after “its STTR program”.

SEC. 505. RURAL PREFERENCE.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following new subsection:

“(dd) RURAL PREFERENCE.—In making awards under this section, Federal agencies shall give priority to applications so as to increase the number of SBIR and STTR award recipients from rural areas.”

TITLE VI—IMPLEMENTATION

SEC. 601. CONFORMING AMENDMENTS TO THE SBIR AND STTR POLICY DIRECTIVES.

Not later than 180 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall promulgate amendments to the SBIR and the STTR Policy Directives to conform such directives to this Act and the amendments made by this Act.

SEC. 602. NATIONAL RESEARCH COUNCIL SBIR STUDY.

Section 108(d) of the Small Business Reauthorization Act of 2000 is amended—

(1) by striking “of the Senate” and all that follows through “not later than 3” and inserting “of the Senate, not later than 3”; and

(2) by striking “; and” and all that follows through “update of such report”.

The CHAIRMAN. No amendment to the committee amendment is in order except those printed in House Report 110–603. Each amendment may be offered only in the order printed in the report; by a Member designated in the report; shall be considered read; shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent of the amendment; shall not be subject to amendment; and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. BOSWELL

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in House Report 110–603.

Mr. BOSWELL. Madam Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. BOSWELL:

In title V of the bill, add at the end the following (and conform the table of contents accordingly):

SEC. 506. PRIORITY FOR AREAS THAT HAVE LOST A MAJOR SOURCE OF EMPLOYMENT.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

“(ee) PRIORITY FOR AREAS THAT HAVE LOST A MAJOR SOURCE OF EMPLOYMENT.—In making awards under this section, Federal agencies shall give priority to applications from companies located in geographic areas that, as determined by the Administrator, have lost a major source of employment. Not later than 90 days after the date of the enactment of this subsection, the Administrator shall promulgate rules for making the determination required by this subsection.”

The CHAIRMAN. Pursuant to House Resolution 1125, the gentleman from Iowa (Mr. BOSWELL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Iowa.

Mr. BOSWELL. Thank you, Madam Chairman. I will yield myself such time as I may consume.

This amendment offered by myself and the gentlelady from Ohio (Ms. SUTTON) will give applicants from regions that have lost a major source of employment priority for SBIR and STTR funding. The Boswell-Sutton amendment would help to revitalize distressed economies that have lost major employers, such as factories and manufacturing plants.

SBIR and STTR funds would help small businesses in these areas create new, high-quality jobs in areas hard hit with the pressures of globalization and current trade policies. This is particularly important to me because I have witnessed the devastating impact of losing a major employer and what it can have on the community.

For 113 years, the Maytag Corporation was the largest employer in Newton, Iowa. At its peak, Maytag em-

ployed over 3,000 Newton residents at the headquarters and manufacturing plants. In 2006, Maytag was purchased by Whirlpool. On October 25, 2007, the last Maytag washing machine rolled off the line and the Newton plant and the corporate headquarters closed. The loss of so many good-paying, quality jobs had a distressing effect on Newton, and the local economy has yet to recover from this tragedy.

Investing in these communities so they are able to create new jobs by attracting companies is essential to many towns in America. I am pleased to report that in Newton, part of the former Maytag facility is in the process of being occupied by a new company that makes components for wind turbines, and the company expects to employ 140 hardworking Iowans. This is a step toward more energy, in response to the gentleman from Alaska. This amendment will help revitalize communities like Newton, and thousands of others across the United States.

I would like to thank Congresswoman SUTTON for working with me on this important initiative, and I thank Chairwoman VELÁZQUEZ and Ranking Member CHABOT for their leadership on this bill. Thank you for consideration. I hope you will accept this amendment that I believe is so important for so many communities across our Nation.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIRMAN. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. I thank Congressman BOSWELL and Congresswoman SUTTON for their amendment and their efforts to improve the bill. This amendment encourages applications from economically distressed areas and helps ensure the competitive research proposal submitted from companies in this area will receive valuable early stage funding. The amendment will strengthen the SBIR program, and has the potential to spur entrepreneurship and create jobs in distressed areas.

Now, Madam Chairman, I will yield to the gentlewoman from Ohio (Ms. SUTTON), a cosponsor of the amendment, such time as she may consume.

Ms. SUTTON. Madam Chairman, I rise in strong support of this amendment. I am fortunate and thankful to have had the opportunity to work with Representative BOSWELL to offer this important amendment, which would require that areas that have lost a major source of employment be given priority when applying for Small Business Innovation Research and Small Business Technology Transfer awards.

Representative BOSWELL, as he described, and I both know firsthand the devastating effects that massive job losses can have on a community when a major employer closes shop. The loss

of good-paying jobs can really hurt when a major employer leaves a community. It's estimated that for every manufacturing job in the United States, it creates as many as four related jobs. So when those jobs pack up and leave, it's a problem.

Focusing funds and awards in areas that have suffered the most, to the areas that have endured major job losses, such as those in my district or Representative BOSWELL's district, will ensure that the money is helping the people in the communities that need it most. These programs will help keep our communities self-sustaining as we work to revitalize our economies.

Ohio has lost over 200,000 manufacturing jobs since 2001, and unfortunately, Representative BOSWELL's district in the home State of Iowa have also lost thousands of jobs. With this amendment, applicants from our areas around our country that have suffered from similar circumstances will be considered a priority when applying for funding through these important programs. New, green industries will be able to grow in areas like Lorain and Akron, Ohio, and in Newton, Iowa, as resources are directed where they are needed most.

I urge a "yes" vote on the amendment.

Ms. VELÁZQUEZ. Madam Chairman, I will yield to the gentleman from Ohio for any comments that he may have.

Mr. CHABOT. I thank the chairwoman for yielding.

We have no objection to the gentleman's amendment and would commend him for offering it.

Ms. VELÁZQUEZ. Madam Chairman, if the gentleman from Iowa is prepared to yield back, we are prepared to accept the amendment.

Mr. BOSWELL. I am prepared to yield back my time. I thank the gentleman for the support, and the ranking member, thank you very much. Ms. SUTTON, thank you for your support. We encourage passage of the amendment.

And we yield back.

Ms. VELÁZQUEZ. Madam Chairman, I thank the gentleman from Iowa and the gentlewoman from Ohio for their work on this legislation. I urge adoption of the amendment.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. BOSWELL).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. EHLERS

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 110-603.

Mr. EHLERS. Madam Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. EHLERS:

Page 3, line 10, through page 4, line 17, strike section 102, and redesignate the subsequent sections accordingly.

The CHAIRMAN. Pursuant to House Resolution 1125, the gentleman from Michigan (Mr. EHLERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan.

□ 1730

Mr. EHLERS. Thank you, Madam Chairman. I appreciate the recognition.

This amendment is very important in terms of the total research effort of our Nation. H.R. 5819 would increase the Small Business Innovation Research program set-aside from 2.5 percent to 3 percent, a 20 percent increase. It would also increase the Small Business Technology Transfer program set-aside from 0.3 percent to 0.6 percent, a 100 percent increase. My amendment would remove these increases and keep the current set-asides in place at 2.5 percent for SBIR and 0.3 percent for STTR.

This is an extremely important issue. The Science and Technology Committee has worked very hard during the last few years to get the America COMPETES authorization bill signed into law. It has now been signed into law. It establishes a funding doubling path for several agencies under Science Committee jurisdiction, several of which are SBIR and STTR funding agencies. However, finding the money to fund these authorizations has not been so easy, and in fact these increased authorizations have not been appropriated.

Several of my colleagues have expressed the opinion that an increase in the set-aside for these two programs was justified by the authorized funding increases in the COMPETES Act. However, as I said, these have not been appropriated.

My concern and my purpose behind my amendment is to make sure that we are not robbing Peter to pay Paul. If we increase the SBIR and STTR program percentages while other agency's funding remains flat, we begin to severely erode our fundamental research base. I would much rather see us fight over extra funding for our basic research programs, our fundamental research programs, of which a percentage would then transfer into SBIR and STTR.

I should point out that my amendment is supported, first of all, by Mr. OBEY, who is chairman of the House Appropriations Committee. He has spoken to me about it, and asked me to specifically mention that he supports my amendment.

I believe it is also supported by a large number of Members, as well as the Association of American Universities, the American Association of Medical Colleges, the Biophysical Society, the Campaign for Medical Research, the Federation of American Societies for Experimental Biology, the National Association of State and Land Grant Colleges and the Small Business Administration.

To quote the President of the Association of American Universities, the change "would translate directly into cuts in both nominal and real terms in the budgets of most Federal research agencies."

In real terms, the proposed changes would remove approximately \$650 million that is currently provided to researchers, especially those at universities around the country. At the National Institutes of Health, which I believe everyone in this body supports very strongly, if we do not adopt this amendment, the NIH budget would be reduced by \$185 million. That is a severe cut.

So I urge the adoption of my amendment. I think it actually will improve things. I hope that in the next few years we will get substantial increases in the amount of funding for the various research agencies and SBIR and STTR would receive substantial increases to the percentage that they will continue to receive.

Madam Chairman, I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

The CHAIRMAN. The gentlewoman is recognized for 5 minutes.

Ms. VELÁZQUEZ. I appreciate the gentleman's tireless leadership with respect to Federal funding for research and development. It was the gentleman's bill that reauthorized the SBIR program 8 years ago, and he is, therefore, well aware that the amount of Federal research budgets that go to America's small research companies is extremely limited. The fact that innovative small firms have such limited access to Federal research dollars is a problem for our country, and I want to work with the gentleman from Michigan to find a solution that will address this problem.

That said, I understand the gentleman's point of view, and I am going to accept the amendment. As the reauthorization process goes forward, I trust that just as we work in a collaborative, bipartisan manner on the Small Business Committee, that you and I can work together to increase the amount of Federal research dollars available to small firms without raising concerns about the country's critical research priorities.

I would now like to yield to the gentleman from Ohio for any comments that he might have.

Mr. CHABOT. I thank the gentlewoman for yielding.

I would just comment that we appreciate the chairwoman's willingness to work with the gentleman in accepting his amendment. We would be happy to be part of that conversation. We appreciate your cooperation.

Ms. VELÁZQUEZ. Madam Chairman, if the gentleman is prepared to yield

back, we are prepared to accept the amendment.

Mr. EHLERS. I would just like to offer a few closing comments.

First of all, I thank you for your offer to work on this problem together. As you know from working with me on this so often, I totally support research in all areas. My concern in this case is that we would be giving some money to one agency and taking it from others. I think we should work together to increase the funding for both, and all boats will rise. If we manage to give the appropriate amount of money to the research institutions, then SBIR and STTR will automatically increase because of that. So if we work together from that standpoint, I think we will be in total agreement.

Madam Chairman, I yield back the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, I just would like to thank Mr. EHLERS for his commitment. I look forward to our working together to address the issue of the limited resources.

With that, I am prepared to accept the amendment.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. EHLERS).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. SESTAK

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 110-603.

Mr. SESTAK. Madam Chairman, I have an amendment at the desk made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. SESTAK:

At the end of title I of the bill, insert the following:

SEC. 1. PROVIDING EXPLANATIONS TO UNSUCCESSFUL APPLICANTS.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

“(dd) PROVIDING EXPLANATIONS TO UNSUCCESSFUL APPLICANTS.—Whenever an entity applies for, but does not receive, an award under an SBIR or STTR program under this section, the Federal agency conducting the program shall—

“(1) in a plain and conspicuous manner, notify that entity that it can request an explanation (which must be of a constructive nature) of the reasons why the entity did not receive the award; and

“(2) provide such an explanation to that entity, if the entity so requests.”.

The CHAIRMAN. Pursuant to House Resolution 1125, the gentleman from Pennsylvania (Mr. SESTAK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Pennsylvania.

Mr. SESTAK. Madam Chairman, I yield myself such time as I may consume.

This amendment mandates that an agency must specify in their notification that unsuccessful applicants are entitled to constructive feedback, po-

tentially opening up the breadth of SBIR grant recipients. This is a very simple and valuable measure to increase the transparency of our Federal agencies. It would allow firms insight into a rejected application and would increase their competitiveness in the future.

On more than one occasion, firms in my district have voiced their concern that the SBIR program awards grants to a relatively small group of businesses. A GAO study actually reported that the 25 most frequent winners of SBIR grants, which represents fewer than 1 percent of the companies in the program, received about 11 percent of the program's awards. Further, there are many qualified applicants that apply for these programs who are unsuccessful each year, but may not know that they are entitled to feedback and an explanation on the decision.

Therefore, by mandating that an agency must specify in the notification that unsuccessful applicants are entitled to constructive feedback, I believe that this will allow firms insight so that they might increase their competitiveness in the future. Furthermore, this amendment will ensure accountability in our Federal agencies.

I therefore urge my colleagues to vote to support this simple amendment to promote transparency and future competitiveness within the SBIR and STTR programs.

Madam Chairman, I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIRMAN. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. I thank the gentleman for his amendment and his effort to improve this bill. The amendment requires Federal agencies to notify unsuccessful applicants to the SBIR program that they can request an explanation of the reasons their application was not funded. This amendment is likely to be a useful clarification to those small firms who are applying to revise their proposals in order to reapply.

I would now yield to the gentleman from Ohio (Mr. CHABOT) for any comments that he might have.

Mr. CHABOT. I thank the chairwoman for yielding.

We have no opposition to the gentleman's amendment. We appreciate his effort to add to the positive things which we need to do to move towards solving this energy crisis we find ourselves in.

Ms. VELÁZQUEZ. Madam Chairman, if the gentleman from Pennsylvania is prepared to yield back, we are prepared to accept the amendment.

The CHAIRMAN. The Chair would advise the gentlewoman from New York that since she claimed the time

in opposition to the amendment, the gentleman from Pennsylvania has the right to close.

Ms. VELÁZQUEZ. I yield back the balance of my time.

Mr. SESTAK. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. SESTAK).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. MATHESON

The CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 110-603.

Mr. MATHESON. Madam Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. MATHESON:

At the end of title V of the bill, add the following (and conform the table of contents accordingly):

SEC. —. PREFERENCE FOR ORGANIZATIONS THAT ARE MAKING SIGNIFICANT CONTRIBUTIONS TOWARDS ENERGY EFFICIENCY.

Section 9 of the Small Business Act (15 U.S.C. 638) is further amended by adding at the end the following:

“(ff) PREFERENCE FOR ORGANIZATIONS THAT ARE MAKING SIGNIFICANT CONTRIBUTIONS TOWARDS ENERGY EFFICIENCY.—In making awards under this section, Federal agencies shall give priority to applications so as to increase the number of SBIR, STTR, and FAST award recipients from organizations that are making significant contributions towards energy efficiency, including organizations that are making efforts to reduce their carbon footprint or are carbon neutral.”.

The CHAIRMAN. Pursuant to House Resolution 1125, the gentleman from Utah (Mr. MATHESON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Utah.

Mr. MATHESON. Thank you, Madam Chairman.

First I would like to commend Chairwoman VELÁZQUEZ, Ranking Member CHABOT and the Small Business Committee, as well as Chairman GORDON and Ranking Member HALL and the Science and Technology Committee, for all their hard work in bringing this important bill to the floor today.

I think we all agree that the U.S. economy is built on the growth and success of small businesses and we in Congress should continue to look for ways that we can support small business so it can succeed. That is why I am offering an amendment to H.R. 5819 today.

My amendment helps incentivize energy efficient practices for small businesses by rewarding business that seek to reduce their costs through a reduced carbon footprint. This amendment gives priorities to applicants of SBIR, STTR and FAST grants that have demonstrated an ability to reduce their carbon footprint.

Many small businesses have already developed practices to reduce their carbon footprint. By adopting energy efficient practices, they are reducing costs

for themselves in the long run and making themselves more competitive with other businesses.

A number of companies in my home State of Utah have benefited from SBIR grants. One such company is TechniScan, which has developed a technology intended to aid physicians in diagnosing breast cancer. It has already adopted certain practices to reduce its energy usage and hence reduce its carbon footprint.

Many other small businesses across the country have likewise reduced their carbon footprint and would therefore be given priority for receiving these grants under my amendment.

I have worked to help government and private entities alike conserve energy. As cochair of the Green Schools Caucus, I have worked with schools to become more energy efficient, which reduces their costs. Small businesses that also seek to reduce their carbon footprint should be rewarded for their efforts as well.

This amendment will help position small businesses better as they continue to grow and expand while reducing their energy costs.

Again, thank you to Chairwoman VELÁZQUEZ, Ranking Member CHABOT, Chairman GORDON and Ranking Member HALL.

Madam Chairman, I reserve the balance of my time.

Mr. CHABOT. Madam Chairman, although I am not opposed to the gentleman's amendment, I would like to claim the time in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes.

Mr. CHABOT. Madam Chairman, I would like to yield such time as he may consume to the gentleman from North Carolina (Mr. HAYES).

□ 1745

Mr. HAYES. I thank the gentleman for yielding.

First let me thank Congresswoman VELÁZQUEZ, SAM GRAVES, and others for bringing an excellent bill to the floor.

I rise today in support of the bill and support of Mr. MATHESON's amendment. But I think a picture in this case is worth a thousand words, because as we look at the small businesses, the men and women that make up the small business core of our communities, the one item that is on their minds is the price of gas.

In the Washington paper last week was a political cartoon. Unfortunately, there was nothing funny about it. If you would follow me for just a moment: Very obvious in the picture, the Capitol is there. And in the first frame it says: We demand that you energy companies do something about high gas prices.

Well, if you move with me to the second frame the question is asking, you

have heard it here today: Can we drill in ANWR? Can we explore off our coastal regions while the Chinese are drilling off the coast of Cuba? The answer: Forget it. Forget it. We can't do that. So we take that off the table. Now the second frame it talks offshore.

The third frame, clean coal. We have more coal resources than Saudi Arabia has oil. We have technology that can be improved even more to allow us to burn coal cleanly, but we also must be able to turn coal into gas for fuel in airplanes for the Air Force. This is something that we must do.

Conservation is critical, and I applaud the new majority for their emphasis on conservation. We are all sensitive to that and we are working in our own ways to conserve as much as we can.

Alternate sources of energy, vitally important. But as a livestock and agriculture member, our food supplies, our food prices are being driven up by a lack of balance on alternative fuels like ethanol.

So back to the picture. Nuclear power. It is clean, it is safe. We are making progress every day in the effort to use spent fuel in positive ways. But, no, that is not on the table.

Last but not least: You're joking. Why don't you do something?

Well, folks, we can do something. The Small Business bill is critical. The last Congress that met on this floor passed the legislation that is referred to. The only thing not mentioned in this political cartoon that is not funny is the expansion of our refinery capacity.

So, again, I thank the gentlelady, Mr. MATHESON, and others for their important efforts to strengthen small businesses. But I would remind everyone here, because you have the same experience that I have, whether you are talking about BRAC, agriculture, economic development, the research campus in Kannapolis, Fort Bragg, North Carolina, gas prices strike you in the face like somebody shaking you by the shirt walking around the room when you see that price going up every day on the sign at the gas station.

So, ladies and gentlemen, I would simply ask that we Members of Congress join together in a bipartisan way as we are handling these amendments and put forth a resolution that says to the foreign oil exporters who are gouging us for prices; we say to the rest of the world we will explore, not exploit, we will use nuclear energy, we will use our coal resources, we will expand our refineries so that we become competitive while developing vitally important alternative sources of energy that will ensure the future, the independence opportunity for everyone in this country.

I thank the gentleman for yielding time.

Mr. CHABOT. Reclaiming my time, do I have any time remaining, Madam Chairman?

The CHAIRMAN. The gentleman has 1 minute remaining.

Mr. CHABOT. I yield my remaining time to the gentleman from Michigan (Mr. EHLERS).

Mr. EHLERS. I thank the gentleman for yielding, and would like to comment on this amendment.

I have no great objection to it, but I am not terribly excited about it, either. Let me comment.

I personally would prefer, if we are going to show preferences here and use the money for that purpose, I would really prefer that we use those funds to give preference to those organizations that submit proposals for doing research and developing areas that will reduce carbon emissions. I think in the long run that might be better for the Nation than simply rewarding those who have taken steps within the organization rather than developing new ideas and inventions that can apply to everyone in the Nation.

So, as I said, I will not oppose it, but I did want to make that suggestion.

Mr. CHABOT. Madam Chairman, I yield back the balance of my time.

Mr. MATHESON. Madam Chairman, I yield the balance of my time to the distinguished Chair of the Small Business Committee, Congresswoman VELÁZQUEZ.

Ms. VELÁZQUEZ. I want to thank the gentleman from Utah for yielding and for his amendment and his efforts to improve the bill. Since the Republicans today are so concerned about energy crisis and gasoline prices, this is an opportunity to start addressing this issue.

With gasoline at \$4 a gallon and the evidence concerning global climate change mounting, the importance of research in the area of clean energy sources is increasingly clear. The amendment recognizes that technologies which can improve energy efficiency and reduce carbon emissions are a critical national research priority. As such, the amendment will give priority to SBIR and STTR applications that address clean energy research topics. I support this amendment and I urge adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah (Mr. MATHESON).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. MATHESON. Madam Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Utah will be postponed.

AMENDMENT NO. 5 OFFERED BY MS. GIFFORDS

The CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 110-603.

Ms. GIFFORDS. Madam Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Ms. GIFFORDS:

At the end of the bill, insert the following (and amend the table of contents accordingly):

SEC. ____ SBIR Awardee Business Operations.

Section 9 of the Small Business Act is further amended by adding at the end the following:

“(ee) SBIR Awardee Business Operations.—

“(1) IN GENERAL.—To be eligible to receive an SBIR award, an awardee must have its primary business operations in the United States.

“(2) DEFINITION.—In this subsection, the term ‘United States’ includes the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.”.

The CHAIRMAN. Pursuant to House Resolution 1125, the gentlewoman from Arizona (Ms. GIFFORDS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Arizona.

Ms. GIFFORDS. Madam Chairman, in this period of economic downturn, we must ensure that we are doing everything we can to support American small businesses. We also have to protect our hard-working taxpayers.

American small businesses still to this day remain the backbone of our economy, and that is why I am offering this amendment today to H.R. 5819, the SBIR Reauthorization Act.

Madam Chairman, this amendment will guarantee that businesses that are awarded funding from the small business research and development programs in this bill have their primary business operations located in the United States. The amendment ensures that we continue to provide support to American-owned businesses and reiterate our commitment to protecting American jobs.

Since its inception in 1982, the Small Business Innovation Research program, SBIR, has helped small businesses compete for Federal research and development awards. Eighty-five percent of businesses competing in SBIR are small firms employing 20 or fewer persons. And the program has generated an impressive 50,000 patents over these 25 years.

I have seen the success of SBIR awards in my district at the high-tech, highly creative Breaux Research Organization in Tucson, Arizona.

As we expand this program, we must keep responsible taxpaying, job-creating organizations like Breaux Research in mind. We have to ensure that truly American-owned companies are winning these valuable awards. We should not be funding R&D for businesses that will develop their U.S. taxpayer financed ideas here, then those ideas turn into jobs overseas. The goal of this reauthorization bill is to boost U.S. small business innovation and competitiveness and thereby boost U.S. competitiveness.

As a former president and CEO of a small business, I know how difficult it is to compete in today's environment, I know how hard it is to grow a business. And that is why I am offering this

amendment, to protect hard-working, ambitious American businesses to fulfill the underlying bill's goal to foster American competitiveness.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIRMAN. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Madam Chairman, I thank the gentlewoman from Arizona for her amendment and for her efforts to improve this bill.

Small businesses awarded SBIR grants from the Federal Government should create jobs and pay appropriate and applicable taxes in the United States. This amendment will ensure this is the case. It is an important clarification for Federal agencies providing SBIR funds.

I would yield to the gentleman from Ohio for any comments that he might have.

Mr. CHABOT. I thank the chairwoman for yielding.

We have no objection to the gentlewoman's amendment.

Ms. VELÁZQUEZ. We are going to accept the amendment and support the amendment.

I yield back the balance of my time.

Ms. GIFFORDS. Madam Chairman, I now yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Madam Chairman, I rise to support this amendment. I commend Congresswoman GIFFORDS for her tireless work on this issue, and commend both the Chair and ranking member for accepting the amendment.

The Small Business Innovative Research program increases small businesses' participation in federally funded research and development. It is a proven program. It is an effective program.

Since 1983, more than 94,000 projects have received more than \$20 billion in awards, keeping our Nation competitive in the global marketplace and helping our small businesses thrive. But in order for this program to have its full impact, there must be that level playing field, and those who try and cheat the system must not be allowed to reap the benefits.

This amendment simply says that to receive a Small Business Innovation Research award, a small business must be domiciled in the United States. You must play by the rules. Today, even contractors supporting our own military in Iraq continue to filter Federal dollars through offshore shell companies to avoid paying taxes here. Every year, offshore tax shelters cost taxpayers nearly \$100 billion. No one, contractors, small businesses or otherwise, no one who looks for special privileges under our tax system should be able to take advantage of the opportunities offered by the Federal Government.

I thank my colleague and the committee for offering this well thought-out and necessary amendment to the bill, and urge its adoption and appreciate its being accepted by the Chair and ranking member.

Ms. GIFFORDS. Madam Chairman, I would like to thank Chairwoman VELÁZQUEZ and Ranking Member CHABOT for all of their hard work on the SBIR bill. I also appreciate their support for my amendment.

This amendment will protect American small businesses and help ensure that they remain competitive in this global environment. It prevents foreign companies from reaping the benefits of hard-earned U.S. tax dollars and undermining this bill's goal to foster American innovation, create U.S. job opportunities, and uphold our commitment to American taxpayers. I urge my colleagues to support my amendment.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Arizona (Ms. GIFFORDS).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MR. GRAVES

The CHAIRMAN. It is now in order to consider amendment No. 6 printed in House Report 110-603.

Mr. GRAVES. Madam Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. GRAVES:
Strike title II of the bill and insert the following:

TITLE II—VENTURE CAPITAL INVESTMENT STANDARDS

SEC. 201. ENSURING THAT INNOVATIVE SMALL BUSINESSES WITH SUBSTANTIAL INVESTMENT FROM VENTURE CAPITAL OPERATING COMPANIES ARE ABLE TO PARTICIPATE IN THE SBIR PROGRAM.

Section 9(e) of the Small Business Act (15 U.S.C. 638(e)) is amended by striking “and” at the end of paragraph (8), striking the period at the end of paragraph (9) and inserting “; and”, and adding at the end the following:

“(10) effective only for the SBIR and STTR programs, notwithstanding any other amendment made by the SBIR/STTR Reauthorization Act, the following shall apply:

“(A) A business concern that has more than 500 employees shall not qualify as a small business concern.

“(B) In determining whether a small business concern is independently owned and operated under section 3(a)(1) or meets the small business size standards instituted under section 3(a)(2), the Administrator shall not consider a business concern to be affiliated with a venture capital operating company (or with any other business that the venture capital operating company has financed) if—

“(i) the venture capital operating company does not own 50 percent or more of the business concern; and

“(ii) employees of the venture capital operating company do not constitute a majority of the board of directors of the business concern.

“(C) A business concern shall be deemed to be ‘independently owned and operated’ if—

“(i) it is owned in majority part by one or more natural persons or venture capital operating companies;

“(ii) there is no single venture capital operating company that owns 50 percent or more of the business concern; and

“(iii) there is no single venture capital operating company the employees of which constitute a majority of the board of directors of the business concern.

“(D) If a venture capital operating company controlled by a business with more than 500 employees (in this subparagraph referred to as a ‘VCOC under large business control’) has an ownership interest in a small business concern that is owned in majority part by venture capital operating companies, the small business concern is eligible to receive an award under the SBIR or STTR program only if—

“(i) not more than two VCOCs under large business control have an ownership interest in the small business concern;

“(ii) the VCOCs under large business control do not collectively own more than 20 percent of the small business concern; and

“(iii) the VCOCs under large business control do not collaborate with each other to exercise more control over the small business concern than they could otherwise exercise individually.

“(E) The term ‘venture capital operating company’ means a business concern—

“(i) that—

“(I) is a Venture Capital Operating Company, as that term is defined in regulations promulgated by the Secretary of Labor; or

“(II) is an entity that—

“(aa) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-51 et seq.); or

“(bb) is an investment company, as defined in section 3(c)(14) of such Act (15 U.S.C. 80a-3(c)(14)), which is not registered under such Act because it is beneficially owned by less than 100 persons; and

“(ii) that is itself organized or incorporated and domiciled in the United States, or is controlled by a business concern that is incorporated and domiciled in the United States.”.

The CHAIRMAN. Pursuant to House Resolution 1125, the gentleman from Missouri (Mr. GRAVES) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Missouri.

Mr. GRAVES. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would first like to thank Chairwoman VELÁZQUEZ and Ranking Member CHABOT from the Small Business Committee for moving forward with this bill. This bill is critically important to small businesses and innovation in this country.

The SBA provides startup funding to small businesses in a variety of ways. One such program is the Small Business Innovative Research program, or SBIR, which allocates a specific percentage of Federal research and development grant monies to small business applicants. This program allows for cutting-edge innovative research that may not, in its earliest stages, attract funding from other sources. I strongly believe in the SBIR program and what it does for small businesses.

American innovation is what drives this country and economy. As Members of Congress, we need to create an environment that will keep American innovation at the forefront of the global market.

As a member of the Small Business Committee, I work to advocate on behalf of small businesses, and the passage of my amendment will have a tremendous impact on the success of those small firms.

My amendment addresses a problem that began in 2003. The Small Business Administration reversed a 20-year-old policy by ruling that small business companies that are majority venture capital backed could no longer compete for small business grants, regardless of how few employees a company may have. As a result, small businesses are finding it increasingly difficult to acquire the investment capital necessary to start or grow their businesses. This jeopardizes the development of innovative treatments, therapies, and technologies.

□ 1800

Venture capital funding is critical to capital intensive industries. They provide the needed seed money to help get some of those innovative ideas off the ground. Without this investment, some of our most innovative ideas would never develop.

My amendment will restore majority venture capital backed small companies' eligibility so they can compete for SBIR grants and receive other small business assistance.

Small businesses are providing this country with the ideas and innovation that has become the identity of the United States. Without these thoughts and ideas, the United States will fall behind the rest of the world in innovations and breakthroughs.

Creating an environment that will keep American innovation in the forefront of the global market is a priority of this body, and I am very confident this amendment and bill will help us meet those goals.

My amendment simply makes a couple of technical corrections in title II of the bill which has the support of both the chairwoman and the ranking member of the Small Business Committee. Simply put, this amendment helps remove barriers to participation in the SBIR program.

I would like to thank the staffs of Chairwoman VELÁZQUEZ and Ranking Member CHABOT for all of their hard work on this issue. This bill and amendment have been a work in progress for over 3 years, and I appreciate all of the work they have done on my behalf. This is a very important issue to me, my constituents, and small businesses everywhere, and I am glad to see it before the House today.

Madam Chairman, I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while I am not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIRMAN (Ms. BERKLEY). Without objection, the gentleman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Madam Chairman, I thank the gentleman from Missouri for his amendment and his efforts to improve the bill. Mr. GRAVES has been a leader in our committee on many issues, and I appreciate his efforts to improve this legislation.

This amendment clarifies the availability of venture capital to small companies. It makes sure that we do not end up disqualifying any current participant in the SBIR program.

Madam Chairman, I yield to the gentleman from Oregon (Mr. WU).

Mr. WU. I thank the chairwoman.

I would like to inquire of the proponent of the amendment to clarify that his amendment, the net effect is to permit two corporate owned venture capital firms each to own 10 percent of an applicant as opposed to what is currently in the bill of one corporate owned venture capital firm owning 10 percent of an applicant.

Ms. VELÁZQUEZ. I yield to the gentleman from Missouri for an answer.

Mr. GRAVES. I thank the chairman; and that is correct.

Mr. WU. If the chairwoman would yield for a moment, I would support the gentleman from Missouri's amendment.

Ms. VELÁZQUEZ. Madam Chairman, I reserve the balance of my time.

Mr. GRAVES. Madam Chairman, I yield 1 minute to the ranking member of the Small Business Committee, Mr. CHABOT.

Mr. CHABOT. I thank the gentleman for yielding, and I rise in support of the amendment offered by the gentleman from Missouri (Mr. GRAVES). This is a good amendment that I feel strikes the appropriate balance on the issue of venture capital companies' funding of SBIR participants.

One of the guiding principles that we focused on as we worked on the legislation was the premise that we ought to be funding the best science. By allowing the amounts of venture capital investment in SBIR applicants that are prescribed by this amendment, we are not only ensuring that we are funding the best science, but also maintaining the program's goal of helping small businesses.

The gentleman from Missouri has been a leader on this issue for years, and I applaud his efforts on our committee and throughout the House to find a solution for this issue. And it is a balance here. You can make arguments on both sides, but I think what he has tried to do is to do something that is fair to small businesses and also have the best science.

I thank the gentleman for yielding, and thank him for his leadership on this issue.

Ms. VELÁZQUEZ. Madam Chairman, I am prepared to accept the amendment.

Mr. EHLERS. Madam Chairman, would the gentlelady yield?

Ms. VELÁZQUEZ. I yield to the gentleman from Michigan.

Mr. EHLERS. I am not necessarily in opposition to this amendment, but I

just have to express a concern, and that is that we have been going round and round on this issue for a couple of years on venture capital getting involved. I always like the emphasis in this to be on the "S," the Small Business Innovation Research Program, and I worry about getting two venture capital companies involved together on a project. With 500 employees each, you are talking about the equivalent of a company with a thousand employees. How many will fit in this category? For example, even though I have an industrial community, there is no company in my district that would be considered funded by venture capital and that would have that number of employees.

Does this then disadvantage smaller communities like mine? Mine is not that small, a few hundred thousand. But nevertheless, we wouldn't qualify at all in this category.

My concern, if I may express it, and perhaps you can reassure me on this, my concern would be that the money would tend to flow to those areas of the country that have the large venture capital companies, and areas such as Michigan, which as you know is in a one-State repression, would not be able to put together programs that would fit this particular part of it. I am really concerned about keeping all small businesses in every part of the country fully involved in this. I wonder if the gentleman can give me some reassurances or an explanation on this.

Ms. VELÁZQUEZ. Reclaiming my time, Mr. EHLERS, I understand your concern. But I will say that at a time when we are facing an economic crisis in our country where so many small businesses have been impacted because of the lack of access to capital and the credit crunch, this is the time when this amendment makes sense.

We are allowing for small businesses and SBIR companies across the country to have the ability to secure venture capital so they can continue to provide innovation and the new technologies that are so needed in our economy.

I reserve the balance of my time.

Mr. GRAVES. Does the gentlewoman have any more speakers?

Ms. VELÁZQUEZ. We are prepared to accept the amendment, and I yield back the balance of my time.

Mr. GRAVES. Madam Chairman, I would just like to say to Ranking Member EHLERS that this is about small businesses, and we want to make sure that small businesses have the ability to compete, especially when it comes to highly technical fields. In many cases it is extraordinarily hard to get the capital that they need, and allowing small businesses to take advantage of venture capital companies is the way. But it is my every intention to direct this completely to small businesses.

Again, I appreciate the concerns and I very much thank the chairwoman and Ranking Member CHABOT for working

with me, and encourage my colleagues to support the amendment.

Madam Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. GRAVES).

The amendment was agreed to.

AMENDMENT NO. 7 OFFERED BY MS. MATSUI

The Acting CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 110-603.

Ms. MATSUI. Madam Chairman, I have an amendment at the desk.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Ms. MATSUI:
Page 33, line 13, insert "(A)" before "Each".

Page 33, line 17, after "venture capital investment companies," insert "business incubators,".

Page 33, after line 24, insert the following:
"(B) DEFINITION.—In this paragraph, the term 'business incubator' means an entity that provides coordinated and specialized services to entrepreneurial businesses which meet selected criteria during the businesses' startup phases, including providing services such as shared office space and office services, access to equipment, access to telecommunications and technology services, flexible leases, specialized management assistance, access to financing, mentoring and training services, or other coordinated business or technical support services designed to provide business development assistance to entrepreneurial businesses during these businesses' startup phases.'".

The Acting CHAIRMAN. Pursuant to House Resolution 1125, the gentlewoman from California (Ms. MATSUI) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California.

Ms. MATSUI. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the bill before us today is a good one. I would like to commend Chairwoman VELÁZQUEZ, Chairman GORDON and Chairman WU for their hard work on this timely legislation.

Madam Chairman, in many cities and towns across the country, business incubators provide a valuable service. They help young businesses survive and grow.

They provide guidance, business tools, space, contacts, and the know-how to run a company. Incubators can dramatically increase the success of new companies. Across the United States, incubators have already nurtured tens of thousands of new companies to great success. Their efforts have helped grow our economy and create both jobs and profit.

In these challenging economic times, a good idea is often not enough to guarantee success. Many young companies need further business expertise in order to avoid failing.

In my hometown of Sacramento, the CleanStart incubator is helping grow a

whole suite of clean energy companies. These businesses are developing the cutting-edge technologies that will power our economy and protect our environment in the future.

However, many businesses receiving SBIR grants devote most of their capital to research. This leaves little left over for business development. These are the type of businesses that can benefit most from the services provided by incubators.

My amendment ensures that SBIR dollars will continue to work with incubators across the country to drive economic development. It will allow incubators to do what they do best, translate good research conducted by small businesses into commercial technologies that create jobs and economic growth. I urge all Members to support this commonsense amendment.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. I thank the gentlewoman from California for her amendment and her efforts to improve this bill. H.R. 5819 directs Federal agencies to establish initiatives by which agencies encourage partnerships between SBIR awardees and prime contractors, venture capital firms and larger businesses. The purpose of these partnerships is to help awardees progress toward phase III of the SBIR program.

The amendment highlights the significant role that business incubators can play for small firms as they work to commercialize their research. It is completely appropriate for Federal agencies to acknowledge business incubators as valuable partners with SBIR awardees.

I yield to the gentleman from Missouri for any comments he may have.

Mr. GRAVES. Madam Chairman, we don't have any problems with the amendment. I urge my colleagues to support it.

Ms. VELÁZQUEZ. Madam Chairman, we are prepared to accept the amendment, and I yield back the balance of my time.

Ms. MATSUI. Madam Chairman, my amendment complements the goals of today's legislation by helping to ensure that taxpayer-funded research is maximized. I urge my colleagues to support this amendment.

I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from California (Ms. MATSUI).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MS. SUTTON

The Acting CHAIRMAN. It is now in order to consider amendment No. 8 printed in House Report 110-603.

Ms. SUTTON. Madam Chairman, I have an amendment at the desk.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Ms. SUTTON:

At the end of title V of the bill, insert the following (and conform the table of contents accordingly):

SEC. ____ VETERANS PREFERENCE.

Section 9 of the Small Business Act (15 U.S.C. 638) is further amended by adding at the end the following:

“(ff) VETERANS PREFERENCE.—In making awards under this section, Federal agencies shall give priority to applications from veterans, as defined in section 101(2) of title 38, United States Code, so as to increase the number of SBIR and STTR award recipients who are veterans.”.

The Acting CHAIRMAN. Pursuant to House Resolution 1125, the gentlewoman from Ohio (Ms. SUTTON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Ohio.

Ms. SUTTON. Madam Chairman, I want to begin by thanking Chairman VELÁZQUEZ, Chairman GORDON, and Chairman WU for their leadership on this bill, as well as the ranking members for their leadership.

This amendment would require agencies that administer Small Business Innovation Research Programs to give special consideration to pressing transportation and infrastructure research activities when reviewing grant applications.

The devastating state of this Nation's crumbling infrastructure was demonstrated in dramatic fashion last August when the I-35 bridge in Minneapolis collapsed into the Mississippi River. And it is also demonstrated every day as people drive over potholes in their neighborhoods and sit in traffic jams on our crowded highways as they travel to and from work.

Tackling the repair of our Nation's infrastructure is not a glamorous task, but it is absolutely essential to our Nation's long-term success.

□ 1815

Investments in infrastructure are critical for public safety and boost local economies by providing more Americans with good-paying jobs. Building our Nation's infrastructure for a new economy and a new century is vital to revamping our work force and revitalizing our communities.

It is also crucial that as we rebuild our roads and mass transit systems, we act as stewards of the environment and seek greener and cleaner technologies for fueling our economy.

America's working families deserve creative and innovative thinking and policies from us as their representatives. This amendment will ensure that as agencies review small business innovation applications they place a premium on projects that focus on transportation and infrastructure, the building blocks of our economy.

I urge a “yes” vote on the amendment.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Madam Chairman, I really thank the gentlewoman for her amendment and her efforts to improve this bill.

The amendment requires Federal agencies to give priority to SBIR and STTR applications submitted by veterans. During a time when our country is at war, it is particularly appropriate to prioritize SBIR applications submitted by our veterans. And I support this amendment.

I would like to yield to the gentleman from Missouri for any comments that he might have.

Mr. GRAVES. Madam Chairman, I don't have any opposition.

Mr. EHLERS. Will the gentlewoman please yield?

Ms. VELÁZQUEZ. Yes, I will.

Mr. EHLERS. Thank you for yielding.

I just have to express some concern. We already had a preference earlier for organizations that have exhibited concern about their carbon footprint. And I don't object to the one about veterans, but I worry about getting too many preferences involved here. And Uncle Joe, who's trying to build a widget in his barn, may just fall in the cracks because he doesn't meet any of these preference categories.

I don't particularly oppose this one about transportation. Everyone knows we need improvements in that. But there are so many different areas, I don't want to bog down the SBA in dealing with these requests by having to worry about preference after preference.

So basically I'm issuing a warning here. Let's watch it in the future, and let's make sure we don't add too many preference requirements or it becomes very, very cumbersome.

Ms. VELÁZQUEZ. Madam Chairman, I yield back the balance of my time, and I accept the amendment.

Ms. SUTTON. I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from Ohio (Ms. SUTTON).

The amendment was agreed to.

AMENDMENT NO. 9 OFFERED BY MS. SUTTON

The Acting CHAIRMAN. It is now in order to consider amendment No. 9 printed in House Report 110-603.

Ms. SUTTON. Madam Chairman, I have an amendment at the desk.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Ms. SUTTON:

In section 107(3) of the bill, in the quoted matter, strike “or” at the end of subpara-

graph (D), and insert after subparagraph (D) the following:

(E) the National Academy of Sciences, in the final report issued by the ‘Transit Research and Development: Federal Role in the National Program’ project and the ‘Transportation Research, Development and Technology Strategic Plan (2006-2010)’ issued by the United States Department of Transportation Research and Innovative Technology Administration, and in subsequent reports issued by the National Academy of Sciences and United States Department of Transportation on transportation and infrastructure; or

In section 504(a) of the bill, in the quoted matter, redesignate (E) as (F).

The Acting CHAIRMAN. Pursuant to House Resolution 1125, the gentlewoman from Ohio (Ms. SUTTON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Ohio.

Ms. SUTTON. Madam Chairman, I want to thank Chairwoman VELÁZQUEZ for her support of this amendment; that would require that we recognize our veterans in this bill.

We ask our veterans to sacrifice years of their lives to protect our country and our loved ones. In return, we have made a commitment to honor their service.

And last year this Congress provided the largest increase in funding for the VA in history. And this year I am proud that in this bill we will continue to reaffirm our support for the men and women who have chosen to serve their country in uniform.

It's our responsibility to ensure our veterans receive the care they deserve. Our veterans also deserve to receive, as I have proposed in this amendment, priority status when applying for awards through the Small Business Innovation Research and Small Business Technology Transfer programs.

This amendment will grant a preference for the brave men and women who have sacrificed for all of us. As they return home and restart their lives, it's essential that the number of veterans who receive SBIR and STTR awards increases. The underlying bill includes a preference as was discussed, for applicants from rural areas and veterans deserve the same consideration.

Madam Chairman, 3 million veteran business owners responded to the 2002 survey of business owners administered through the U.S. Census Bureau. This survey revealed that veterans tend to be better educated and slightly older before starting or acquiring their businesses. This trend can undoubtedly be attributed to their time in the service and their use of one of the most important and successful pieces of legislation this body has ever passed, the GI bill.

Madam Chairman, our veterans will continue to make us proud as they make good use of the funding available through these important small business programs. As I have often said, it is not enough to simply pay tribute to our veterans with words; we must show them our appreciation with our actions.

I appreciate the support that has been expressed for this amendment, and I urge a "yes" vote.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to this amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Madam Chairman, I just simply want to say thank you to the gentlelady from Ohio for her sensitivity and commitment to our veterans at a time of war, and for working to perfect this legislation.

I have no opposition to this amendment. I am prepared to accept the amendment.

I yield to the gentleman from Ohio (Mr. CHABOT).

Mr. CHABOT. Madam Chairman, we have no opposition.

Ms. VELÁZQUEZ. I yield back the balance of my time.

Ms. SUTTON. Madam Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from Ohio (Ms. SUTTON).

The amendment was agreed to.

AMENDMENT NO. 10 OFFERED BY MR. BARROW

The Acting CHAIRMAN. It is now in order to consider amendment No. 10 printed in House Report 110-603.

Mr. BARROW. Madam Chairman, I have an amendment at the desk.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. BARROW: Page 36, after line 2, insert the following:

(D) MINORITY INSTITUTION PILOT PROGRAM.—

(i) ESTABLISHMENT.—From amounts made available to carry out this subparagraph, the Administrator shall establish and carry out a pilot program to make grants to minority institutions that partner with nonprofit organizations that have experience developing relationships between industry, minority institutions, and other entities, for the purpose of increasing the number of SBIR and STTR program applications by minority-owned small businesses.

(ii) APPLICATION.—To be eligible to receive a grant under the pilot program established in clause (i), a minority institution shall submit an application to the Administrator at such time, in such manner, and containing such information and assurances as the Administrator may require.

(iii) MATCHING REQUIREMENT.—As a condition of a grant under the pilot program, the Administrator shall require that a matching amount be provided from a source other than the Federal Government that is equal to the amount of the grant.

(iv) MINORITY INSTITUTION.—In this subparagraph, the term "minority institution" has the meaning given that term in section 365(3) of the Higher Education Act of 1965 (20 U.S.C. 1067k(3)).

(v) FUNDING.—For each of fiscal years 2009 through 2012, of the amounts appropriated pursuant to the authorization of appropriations in subparagraph (C), up to \$4,000,000 shall be available to carry out this subparagraph.

The Acting CHAIRMAN. Pursuant to House Resolution 1125, the gentleman from Georgia (Mr. BARROW) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. BARROW. I thank the Chair and I yield myself such time as I may consume.

Madam Chairman, the whole purpose of the SBIR and STTR programs is a generally recognized acknowledgement of the fact that in the bidding wars with the big guys for Federal contracting, small businesses are just generally outgunned. And while that is true for small businesses generally, it's even more true for a subset of small businesses. Minority-owned small businesses are at even a greater disparity and disadvantage when it comes to competing for government contracts, research and development.

Less than 10 percent of the SBIR grants are made to minority-owned small businesses. Now if SBIR and STTR are at the forefront of ensuring that American small businesses remain competitive, we've got to make sure that minority-owned businesses have an opportunity to participate. But too often, minority and disadvantaged small businesses don't even know about these grants. If they don't know about them, they can't compete for them.

My amendment seeks to address this in a carefully drawn and constructive manner. It does this by authorizing grants to partnerships between minority institutions, as that term is defined in the amendment, and nonprofit organizations that have experience in linking up minority-owned businesses with government contracting.

There are limits, carefully drawn limits drawn into the amendment. One of those is that the administrator of the SBA gets to set the terms and conditions for submitting and applying for these grants.

Second, it requires these grants can only be made to partnerships with experienced partners. Minority institutions, as defined by the amendment, consist of colleges that serve a minority, 51 percent or more of minority students. This is basically HBCUs, but not exclusively HBCUs, and also requires they be in partnership with nonprofits that have experience in linking small businesses with government contracts.

Finally, what the bill does is it doesn't create any authorization for spending new money. It doesn't appropriate any new money. What it does is it directs the administrator to set up a pilot program that authorizes him to spend up to \$4 million in money that is already authorized and appropriated for such purposes.

HBCUs and local nonprofits, they have the experience in connecting small businesses with government contracts. My amendment allows them to work together to increase minority-owned business participation in gov-

ernment contracting. That's good for the government when it's the customer, it's good for the taxpayers, and it's good for the economy.

With that, I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Madam Chairman, I thank the gentleman from Georgia for his amendment and his efforts to improve this bill.

The amendment establishes a grant program for minority institution with the purpose of increasing the number of SBIR and STTR applications submitted by companies owned by minorities. The participation of women-owned and minority-owned companies in the SBIR program continues to be at unacceptably low levels. The Barrow amendment—along with the provisions of H.R. 5819, that reauthorize the FAST program—seeks to address this challenge. It does this by funding outreach efforts to encourage and support more applicants by companies owned by minorities.

I now will yield to the gentleman from Ohio for any comments that he might have.

Mr. CHABOT. I thank the gentlelady for yielding. We have no opposition to the gentleman's amendment.

Ms. VELÁZQUEZ. With that, I will accept the amendment.

I yield back the balance of my time.

Mr. BARROW. I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. BARROW).

The amendment was agreed to.

AMENDMENT NO. 11 OFFERED BY MRS. CAPITO

The Acting CHAIRMAN. It is now in order to consider amendment No. 11 printed in House Report 110-603.

Mrs. CAPITO. Madam Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mrs. CAPITO:

Page 8, line 10, after "minorities," insert the following: "small business concerns owned and controlled by service-disabled veterans."

The Acting CHAIRMAN. Pursuant to House Resolution 1125, the gentlewoman from West Virginia (Mrs. CAPITO) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from West Virginia.

Mrs. CAPITO. Thank you, Madam Chairman. I also want to thank the chairman of the Small Business Committee and the ranking member of the Small Business Committee for their good hard work on this piece of legislation. I would also like to thank the

Rules Committee, of which I was formerly a member, for making my amendment in order.

I rise today to offer a very simple amendment that adds service disabled veterans to the list of targeted groups to receive consideration from the SBIR bill and SBIR board. Currently in the bill, the board, which is authorized to make recommendations to the grant awarding authorities, is directed to develop a means of how to encourage more applications from small business owners who are minorities or women. My amendment will direct the board to include service disabled veterans owners of small businesses to those who will be encouraged to make more applications from a grant pool of over \$50 million.

We have a lot of our servicemen and women returning with injuries. But we want to encourage them that they can move forward with their lives and invest and prosper in a small business, and this opens up more opportunity for them.

Madam Chairman, recent studies have shown that returning veterans face unemployment rates that are nearly four times as high as that of nonmilitary laborers.

□ 1830

Our returning veterans should have post-military opportunities that inspire confidence and don't disappoint them.

This amendment will extend to service-disabled veterans more opportunities to succeed after serving our Nation so bravely.

Madam Chairman, I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Madam Chairman, I want to take the opportunity to thank the gentlewoman from West Virginia for her efforts to improve this bill. The amendment directs the SBIR advisory boards established under H.R. 5819 to include in their annual report to Congress the number and the dollar amount of SBIR awards made to small businesses and controlled by service-disabled veterans. This is valuable data that Congress should have. Moreover, the collection of this data is likely to encourage Federal agencies to redouble their efforts to publicize the SBIR programs to service-disabled veterans.

I now would like to yield to the gentleman from Ohio (Mr. CHABOT) for any comments he might have.

Mr. CHABOT. I thank the gentlelady for yielding.

I support the gentlelady's amendment, and I would commend her for looking out for the interest of service-disabled veterans in this country, a group of people who have clearly

earned the respect and the gratitude that they are entitled to. Thank you for offering the amendment.

Ms. VELÁZQUEZ. Madam Chairman, we're prepared to accept the amendment, and I urge adoption of the amendment.

I yield back the balance of my time.

Mrs. CAPITO. Madam Chairman, I yield back my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from West Virginia (Mrs. CAPITO).

The question was taken; and the Acting Chairman announced that the ayes appeared to have it.

Mrs. CAPITO. Madam Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from West Virginia will be postponed.

AMENDMENT NO. 12 OFFERED BY MS. VELÁZQUEZ

The Acting CHAIRMAN. It is now in order to consider amendment No. 12 printed in House Report 110-603.

Ms. VELÁZQUEZ. Madam Chairman, as the designee of Mr. CARNEY of Pennsylvania, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Ms. VELÁZQUEZ:

Page 26, line 2, strike "and" at the end.

Page 26, line 5, strike the period at the end and insert "; and".

Page 26, after line 5, insert the following:

"(D) criteria designed to give preference to applicants who include an SBDC program that is accredited for its technology services."

The Acting CHAIRMAN. Pursuant to House Resolution 1125, the gentlewoman from New York (Ms. VELÁZQUEZ) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York.

Ms. VELÁZQUEZ. Madam Chairman, small business development centers, which are accredited for their technology services, are particularly well-positioned to provide support for companies preparing SBIR applications. It is appropriate that FAST grant applications that incorporate the services of those SBDCs that are accredited for technology services should be viewed favorably by the SBA.

The amendment will ensure that the Small Business Administration includes this preference in the grant selection criteria it develops for the FAST program.

I support this amendment.

I yield time to the gentleman from Pennsylvania (Mr. CARNEY).

Mr. CARNEY. Tonight I urge my colleagues to support the amendment that I am offering to H.R. 5819, the SBIR/STTR reauthorization bill.

The amendment is good for America's small businesses and will increase our technological competitiveness in

the global marketplace. Specifically, the amendment would allow the administrator of the SBA to view favorably FAST grant applicants that utilize small business development centers that are accredited for their technology commercialization in determining the award of a FAST grant.

My amendment acts as a catalyst that will encourage and enable 41 State SBDC programs to develop the capacity to deliver technology commercialization services. The result will be an increase of new technology and technological products introduced into the marketplace improving America's competitiveness, as it strengthens America's small business community.

Moreover, and perhaps more importantly, my amendment furthers the SBA's goal of increasing the number of SBDC programs that offer technological commercialization service as it becomes credited.

I urge you all to support America's small businesses by supporting this amendment.

Ms. VELÁZQUEZ. Madam Chairman, I reserve the balance of my time.

Mr. CHABOT. Madam Chairman, although I am not in opposition, I will claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentleman from Ohio is recognized for 5 minutes.

There was no objection.

Mr. CHABOT. Madam Chairman, I won't take that time. I just want to commend the gentleman for offering the amendment. We have no opposition.

I yield back the balance of my time.

Ms. VELÁZQUEZ. I am prepared to accept the amendment, and I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. VELÁZQUEZ).

The amendment was agreed to.

AMENDMENT NO. 13 OFFERED BY MRS. GILLIBRAND

The Acting CHAIRMAN. It is now in order to consider amendment No. 13 printed in House Report 110-603.

Mrs. GILLIBRAND. Madam Chairman, I have an amendment at the desk.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mrs. GILLIBRAND:

Page 7, line 9, strike "and".

Page 7, after line 9, insert the following:

(C) at least one individual who is a veteran who owns a small business concern owned and controlled by veterans; and

Page 7, line 10, redesignate (C) as (D).

The Acting CHAIRMAN. Pursuant to House Resolution 1125, the gentlewoman from New York (Mrs. GILLIBRAND) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York.

Mrs. GILLIBRAND. Madam Chairman, my amendment is very simple. It

provides a voice to veteran-owned small businessmen on the newly created Small Business Innovation Research Board.

The advisory board will oversee the design and award process for SBIR grants. By including a veteran-owned small businessman or -woman on the board, we will ensure that the criteria used towards small business grants will include areas for which our veterans specialize, areas such as weapons development and destruction, communications networking, and many more skills that have been uniquely acquired through their military service.

When I was first elected last year, I formed a constituent-based Veterans Advisory Board in my district. Over the past year, I have worked very closely with these men and women to find new ways to better serve them and the veterans of our district throughout our Nation who have sacrificed so much for this great country. It is for this reason that I strongly believe that veterans need advice on the SBIR advisory board and why I have been working with the board to draft legislation to address the problems of homeless vets and to ease the transition from active duty to civilian life.

When our soldiers, sailors, airmen, and marines leave service after multiple deployments abroad and a tremendous sacrifice by them and their families, the least we can do is to ease their transition and help them get their businesses off the ground.

I, therefore, urge my colleagues to support my amendment.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. I thank the gentlewoman from New York for her amendment and for her efforts to improve the legislation. The amendment requires that at least one veteran small business owner must serve on the SBIR Advisory Board that H.R. 5819 establishes in section 104. These boards are meant to provide small firms with an avenue to communicate with Federal agencies about the SBIR program.

The intention of the amendment is to help ensure that agencies are as responsive as possible to the unique needs of small research companies and to veteran-owned small firms in particular.

I support this intention.

I would yield to the gentleman from Ohio for any comments that he might have.

Mr. CHABOT. I thank the chairwoman for yielding, and I want to commend the gentlelady for offering her amendment, and we support it.

Ms. VELÁZQUEZ. Madam Chairman, I urge the adoption of the amendment. I yield back the balance of my time.

Mrs. GILLIBRAND. Madam Chairman, I yield back my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Mrs. GILLIBRAND).

The amendment was agreed to.

AMENDMENT NO. 14 OFFERED BY MS. VELÁZQUEZ

The Acting CHAIRMAN. It is now in order to consider amendment No. 14 printed in House Report 110-603.

Ms. VELÁZQUEZ. Madam Chairman, as the designee of Mr. WALZ of Minnesota, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Ms. VELÁZQUEZ:

At the end of title V of the bill, add the following (and conform the table of contents accordingly):

SEC. 506. INITIATIVE TO PUBLICIZE THE SBIR PROGRAM TO VETERANS.

The Administrator of the Small Business Administration, in consultation with the Secretary of Veterans Affairs, shall develop an initiative to publicize the SBIR program to veterans returning from service and encourage those veterans with applicable technical skills to apply for SBIR grants.

The Acting CHAIRMAN. Pursuant to House Resolution 1125, the gentlewoman from New York (Ms. VELÁZQUEZ) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York.

Ms. VELÁZQUEZ. Madam Chairman, the amendment directs the administrator of the Small Business Administration to consult with the Secretary of Veterans Affairs to develop an initiative that publicizes the SBIR programs to veterans returning from service. The amendment will direct the SBA and the VA to work together to encourage veterans to apply for SBIR grants.

Many of the veterans returning from service are highly skilled and highly trained in technical fields. The amendment will draw on this pool of talent and increase the number of veterans applying for SBIR awards. Our efforts such as this will strengthen the SBIR program, especially the Department of Defense's SBIR program.

I urge adoption of this amendment.

I reserve the balance of my time.

Mr. CHABOT. Madam Chairman, I rise to claim the time in opposition, even though we're not opposed to the amendment.

The Acting CHAIRWOMAN. Without objection, the gentleman from Ohio is recognized for 5 minutes.

There was no objection.

Mr. CHABOT. We would commend the gentleman for offering the amendment.

I yield back the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, I yield to the gentleman from Vermont (Mr. WELCH).

Mr. WELCH of Vermont. Madam Chairman, I would like to engage the distinguished Chair of the Small Business Committee in a colloquy.

First of all, I would like to thank you. Your committee has done extraordinary work throughout the year, probably produced more good legislation than any other.

I want to thank you for working with me on this issue that is raised on this bill regarding the ability of small businesses to continue to use the SBIR program. Specifically, I want to thank you for agreeing to work with me to monitor agency actions to ensure that smaller firms are not represented in the agency's distribution of SBIR awards.

Also, I want to say that I am pleased that you agree to work with me and in Congress and that this matter needs vigorous study, and we will work to ensure that a National Institute for Standards and Technology study, which I would like to place in the RECORD, is included in the conference.

□ 1845

Ms. VELÁZQUEZ. Reclaiming my time, you have my commitment to monitor Federal agencies' efforts to award grants to small firms. And as this legislation moves forward, we will work with you to identify ways that agencies are properly studying and making available opportunities for small businesses.

Mr. WELCH of Vermont. Thank you.

Ms. VELÁZQUEZ. Madam Chairman, I urge adoption of the Walz amendment I am offering on his behalf.

I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. VELÁZQUEZ).

The amendment was agreed to.

AMENDMENT NO. 15 OFFERED BY MR. FOSTER

The Acting CHAIRMAN. It is now in order to consider amendment No. 15 printed in House Report 110-603.

Mr. FOSTER. Madam Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. FOSTER: At the end of the bill, add the following (and amend the table of contents accordingly):

SEC. ____ PROHIBITION OF AWARDS TO ALIENS UNLAWFULLY PRESENT IN THE UNITED STATES.

Section 9 of the Small Business Act is amended by adding at the end the following: "(ee) PROHIBITION OF AWARDS TO ALIENS UNLAWFULLY PRESENT IN THE UNITED STATES.—A concern is not eligible to receive an award under this section if an individual who is an alien unlawfully present in the United States—

"(1) has an ownership interest in that concern; or

"(2) has an ownership interest in another concern that itself has an ownership interest in that concern."

SEC. ____ PROHIBITION ON AWARDS TO FIRMS IN VIOLATION OF IMMIGRATION LAWS.

Any applicant found, based on a determination by the Secretary of Homeland Security or the Attorney General to have engaged in a pattern or practice of hiring, recruiting or referring for a fee, for employment in the United States an alien knowing

the person is an unauthorized alien shall not be eligible for the receipt of future awards under section 9 of the Small Business Act.

The Acting CHAIRMAN. Pursuant to House Resolution 1125, the gentleman from Illinois (Mr. FOSTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. FOSTER. Madam Chairman, I am offering this amendment along with my colleagues, Representatives ELLSWORTH and ALTMIRE, to H.R. 5819, the Small Business Innovation Research and Small Business Technology Transfer Reauthorization Act.

As a physicist with a long career at a Federal laboratory that supported and benefited from the SBIR program, I am committed to reauthorizing these innovative and worthwhile programs. The SBIR program is designed to increase the participation of small high technology firms in the Federal R&D endeavor.

The program was established upon the belief that while high technology-based companies under 500 employees tended to be highly innovative, and innovation is essential to our economic well-being and the high standard of living that we enjoy, that small businesses are, unfortunately, underrepresented in government R&D activities.

Our amendment is simple. Similar to other amendments that have been offered on various pieces of legislation, it is codifying current regulations and makes absolutely clear that illegal immigrants are not eligible for these programs. Legal permanent residents would be eligible; however, illegal immigrants would not. Moreover, a firm found to be in violation of this provision would be barred from receiving future awards.

If this language looks familiar, it should. As I just alluded to, similar language was adopted last year during consideration of H.R. 3867, the Small Business Contracting Program Improvements Act.

I urge my colleagues to support this amendment. The American taxpayer must have confidence that their hard-earned dollars are being spent properly, and this amendment, by making crystal clear that illegal immigrants are not eligible for these programs, helps accomplish this.

Upon passage of comprehensive immigration reform, the path to eligibility for these programs will be the path to citizenship under the rule of law.

Again, I urge my colleagues to support this amendment.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Madam Chairman, I thank the gentlemen for their amendment and their efforts to improve the bill. It is only appropriate that the recipients of Federal grants like the SBIR and STTR programs should be majority owned and controlled by individuals who are citizens of or permanent resident aliens in the United States. The amendment would clarify this requirement.

I support this amendment, but it is important to recognize that we cannot solve our country's immigration challenges on a piecemeal basis. This is an important amendment and reminds us that comprehensive immigration reform is good for America's national and economic security.

I now yield to the gentleman from Ohio for any comments that he may have.

Mr. CHABOT. I thank the chairwoman for yielding.

We have no objections.

Ms. VELÁZQUEZ. Madam Chairman, I reserve the balance of my time.

Mr. FOSTER. Madam Chairman, I yield to the gentleman from Pennsylvania, Representative ALTMIRE.

Mr. ALTMIRE. Madam Chairman, I would like to thank Congressman ELLSWORTH and Congressman FOSTER for their leadership in joining me today in offering this amendment.

Our amendment clearly states that any small business that is either owned by or employs illegal immigrants will not qualify for SBIR funding. By adding this language, we clarify that Congress will not reward those small businesses who fail to play by the rules.

As we know, SBIR awards are critical to assisting our Nation's small businesses compete, and Congress must ensure that those monetary awards paid for by the American taxpayer are not provided to those small businesses that purposefully contribute to our Nation's ongoing illegal immigration problem.

This amendment is absolutely necessary because of those bad actors who choose to ignore the law and hire individuals who are not in this country legally.

I urge adoption of our amendment to guarantee protections for American small businesses.

Ms. VELÁZQUEZ. Madam Chairman, I am prepared to accept the amendment.

I yield back the balance of my time.

Mr. FOSTER. Madam Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FOSTER).

The question was taken; and the Acting Chairman announced that the ayes appeared to have it.

Mr. FOSTER. Madam Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Illinois will be postponed.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. The Chair understands that amendments 16 and 17 will not be offered.

Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in House Report 110-603 on which further proceedings were postponed, in the following order:

Amendment No. 4 by Mr. MATHESON of Utah.

Amendment No. 11 by Mrs. CAPITO of West Virginia.

Amendment No. 15 by Mr. FOSTER of Illinois.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

AMENDMENT NO. 4 OFFERED BY MR. MATHESON

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Utah (Mr. MATHESON) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 355, noes 48, not voting 33, as follows:

[Roll No. 213]

AYES—355

Abercrombie	Carnahan	Eshoo
Ackerman	Carney	Etheridge
Allen	Carson	Faleomavaega
Altmire	Castle	Fallin
Arcuri	Castor	Farr
Baca	Chabot	Fattah
Bachus	Chandler	Ferguson
Baird	Christensen	Filner
Baldwin	Clarke	Forbes
Barrow	Clay	Fortenberry
Bartlett (MD)	Cleaver	Fossella
Bean	Coble	Foster
Becerra	Cohen	Frank (MA)
Berkley	Cole (OK)	Frelinghuysen
Berman	Conyers	Galleghy
Berry	Costa	Gerlach
Biggert	Costello	Giffords
Billbray	Courtney	Gilchrest
Bilirakis	Crenshaw	Gillibrand
Bishop (GA)	Crowley	Gohmert
Bishop (NY)	Cuellar	Gonzalez
Bishop (UT)	Culberson	Goode
Blackburn	Cummings	Gordon
Boehner	Davis (AL)	Granger
Bonner	Davis (CA)	Graves
Bono Mack	Davis (IL)	Green, Al
Boozman	Davis, Lincoln	Green, Gene
Bordallo	Deal (GA)	Grijalva
Boren	DeGette	Gutierrez
Boswell	Delahunt	Hall (NY)
Boucher	DeLauro	Hall (TX)
Boustany	Dent	Hare
Boyd (FL)	Diaz-Balart, L.	Harman
Boyda (KS)	Diaz-Balart, M.	Hastings (FL)
Brady (PA)	Dingell	Hastings (WA)
Brown (SC)	Donnelly	Hayes
Brown, Corrine	Doyle	Heller
Buchanan	Drake	Hensarling
Butterfield	Dreier	Herger
Calvert	Edwards	Herseth Sandlin
Camp (MI)	Ehlers	Hill
Cannon	Ellison	Hinchey
Cantor	Ellsworth	Hinojosa
Capito	Emanuel	Hirono
Capps	Emerson	Hobson
Capuano	Engel	Hodes
Cardoza	English (PA)	Hoekstra

Holden
Holt
Honda
Hooley
Hoyer
Inglis (SC)
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
Lampson
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Loeb sack
Lofgren, Zoe
Lowey
Lucas
Lynch
Mack
Mahoney (FL)
Maloney (NY)
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon

McMorris
Rodgers
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Myrick
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascarell
Pastor
Paul
Payne
Pearce
Perlmutter
Peterson (MN)
Pickering
Pitts
Platts
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Richardson
Rodriguez
Rogers (AL)
Rogers (KY)
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Royce
Ryan (OH)
Salazar
Sánchez, Linda
T.
Sanchez, Loretta
Sarbanes
Schakowsky

NOES—48

Aderholt
Akin
Bachmann
Barrett (SC)
Barton (TX)
Brady (TX)
Broun (GA)
Burgess
Burton (IN)
Carter
Conaway
Cubin
Davis (KY)
Davis, David
Doolittle
Duncan
Flake

Foxx
Franks (AZ)
Garrett (NJ)
Gingrey
Jordan
King (IA)
Kingston
Lamborn
Linder
Lungren, Daniel
E.
Marchant
Miller (FL)
Miller, Gary
Musgrave
Neugebauer
Nunes

Pence
Petri
Poe
Rogers (MI)
Rohrabacher
Ryan (WI)
Sali
Sensenbrenner
Shimkus
Stearns
Sullivan
Tancred
Thornberry
Wilson (NM)
Wilson (SC)

NOT VOTING—33

Alexander
Andrews
Blumenauer
Blunt
Braley (IA)

Brown-Waite,
Ginny
Buyer
Campbell (CA)
Clyburn

Cooper
Cramer
Davis, Tom
DeFazio
Dicks

Doggett
Everett
Feeney
Fortuno
Goodlatte
Higgins
Hulshof

Hunter
LaHood
Moran (VA)
Nadler
Peterson (PA)
Ruppersberger
Rush

Saxton
Walsh (NY)
Weller
Westmoreland
Whitfield (KY)

□ 1917

Mrs. WILSON of New Mexico, Mrs. BACHMANN, Messrs. PETRI, DAVID DAVIS of Tennessee, BARTON of Texas, ROHRABACHER, and KINGSTON changed their vote from “aye” to “no.”

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. GOODLATTE. Madam Chairman, on rollcall No. 213, I was unavoidably detained. Had I been present, I would have voted “aye.”

Mr. RUPPERSBERGER. Madam Chairman, on rollcall No. 213, I was at Bethesda Naval Hospital getting a CT scan. Had I been present, I would have voted “aye.”

AMENDMENT NO. 11 OFFERED BY MRS. CAPITO

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentlewoman from West Virginia (Mrs. CAPITO) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 405, noes 0, not voting 31, as follows:

[Roll No. 214]

AYES—405

Abercrombie
Ackerman
Aderholt
Akin
Allen
Altmire
Arcuri
Baca
Bachmann
Bachus
Baird
Baldwin
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggart
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Boehner
Bonner
Bono Mack
Boozman
Bordallo
Boren
Boswell
Boucher
Boustany

Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Broun (GA)
Brown (SC)
Brown, Corrine
Buchanan
Burgess
Burton (IN)
Butterfield
Calvert
Camp (MI)
Cannon
Cantor
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Carter
Castle
Castor
Chabot
Chandler
Christensen
Clarke
Clay
Cleaver
Coble
Cohen
Cole (OK)
Conaway
Conyers
Costa

Costello
Courtney
Crenshaw
Crowley
Cubin
Cuellar
Culberson
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, David
Davis, Lincoln
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dingell
Donnelly
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)

Eshoo
Etheridge
Faleomavaega
Fallin
Farr
Fattah
Ferguson
Filner
Flake
Forbes
Fortenberry
Fossella
Foster
Foxy
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrist
Gillibrand
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastings (FL)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Hunter
Inglis (SC)
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Jordan
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
Lamborn
Lampson
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta

Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Loeb sack
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel
E.
Lynch
Mack
Mahoney (FL)
Maloney (NY)
Manzullo
Marchant
Markey
Marshall
Matheson
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon

Richardson
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Royce
Ryan (OH)
Ryan (WI)
Salazar
Sali
Sánchez, Linda
T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schmidt
Schwartz
Sessions
Sestak
Shadegg
Shays
Shea-Porter
Sherman
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Speier
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Tiahrt
Tiberi
Tierney
Towns
Tsongas
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walz (MN)
Wamp
Wasserman
Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weldon (FL)
Wexler
Wilson (OH)
Wittman (VA)
Wolf
Woolsey
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

Wolf Wynn Young (AK)
Woolsey Yarmuth Young (FL)

NOT VOTING—31

Alexander Cramer Moran (VA)
Andrews Davis, Tom Nadler
Blumenauer Dicks Peterson (PA)
Blunt Doggett
Braley (IA) Everett
Brown-Waite, Feeney
Ginny Fortuño
Buyer Grijalva
Campbell (CA) Higgins
Clyburn Hulshof
Cooper LaHood

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Two minutes remain in the vote.

□ 1926

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. RUPPERSBERGER. Madam Chairman, on rollcall No. 214, I was at Bethesda Naval Hospital getting a CT scan. Had I been present, I would have voted “aye.”

PERSONAL EXPLANATION

Mr. BRALEY of Iowa. Madam Chairman, on rollcall Nos. 213 and 214, had I been present, I would have voted “aye.”

AMENDMENT NO. 15 OFFERED BY MR. FOSTER

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Illinois (Mr. FOSTER) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 406, noes 0, answered “present” 3, not voting 27, as follows:

[Roll No. 215]

AYES—406

Abercrombie Bonner Carney
Ackerman Bono Mack Carson
Aderholt Boozman Carter
Akin Bordallo Castle
Allen Boren Castor
Altmire Boswell Chabot
Arcuri Boucher Chandler
Baca Boustany Christensen
Bachmann Boyd (FL) Clarke
Bachus Boyda (KS) Clay
Baird Brady (PA) Cleaver
Baldwin Brady (TX) Coble
Barrett (SC) Braley (IA) Cohen
Barrow Broun (GA) Cole (OK)
Bartlett (MD) Brown (SC) Conaway
Barton (TX) Brown, Corrine Conyers
Bean Buchanan Costa
Berkley Burgess Costello
Berman Burton (IN) Courtney
Berry Butterfield Crenshaw
Biggart Calvert Crowley
Bilbray Camp (MI) Cubin
Bilirakis Cannon Cuellar
Bishop (GA) Cantor Culberson
Bishop (NY) Capito Cummings
Bishop (UT) Capps Davis (AL)
Blackburn Capuano Davis (CA)
Blumenauer Cardoza Davis (IL)
Boehner Carnahan Davis (KY)

Davis, David
Davis, Lincoln
Deal (GA)
DeFazio
DeGette
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dingell
Donnelly
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Faleomavaega
Fallin
Farr
Fattah
Ferguson
Filner
Flake
Forbes
Fortenberry
Fossella
Foster
Foxy
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastings (FL)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseeth Sandlin
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Hunter
Inglis (SC)
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee
(TX)
Jefferson
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Jordan

Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kuhl (NY)
Lampson
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Loebsock
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel
E.
Lynch
Mack
Mahoney (FL)
Maloney (NY)
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McMorris
Rodgers
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Napolitano
Neal (MA)
Neugebauer
Norton
Nunes
Oberstar
Obey
Oliver
Ortiz
Pallone
Pascarell
Pastor
Paul
Payne
Pearce

Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman
Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weldon (FL)
Westmoreland
Wexler
Whitfield (KY)
Wilson (NM)

Wilson (OH)
Wilson (SC)
Wittman (VA)
Wolf
Woolsey
Wynn
Yarmuth
Young (AK)
Young (FL)

ANSWERED “PRESENT”—3

Becerra Kucinich Stark

NOT VOTING—27

Alexander Davis, Tom Moran (VA)
Andrews Dicks Nadler
Blunt Doggett Peterson (PA)
Brown-Waite, Everett
Ginny Feeney Rush
Buyer Fortuño Saxton
Campbell (CA) Higgins Slaughter
Clyburn Hulshof Weller
Cooper LaHood Wu
Cramer Lamborn

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Two minutes remain in the vote.

□ 1933

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The Acting CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The Acting CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. TIERNEY) having assumed the chair, Ms. BERKLEY, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 5819) to amend the Small Business Act to improve the Small Business Innovation Research (SBIR) program and the Small Business Technology Transfer (STTR) program, and for other purposes, pursuant to House Resolution 1125, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment reported from the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. HELLER OF NEVADA

Mr. HELLER of Nevada. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HELLER of Nevada. In its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Heller of Nevada moves to recommit the bill to the Committee on Small Business with instructions to report the bill back to the House promptly in the form to which it may be perfected at the time of this motion with the following amendment:

Page 14, line 3, strike "and alternative fuels" and insert "alternative fuels, and projects that have the potential to lower gasoline and diesel prices".

Ms. VELÁZQUEZ. Mr. Speaker, I reserve a point of order against the motion.

The SPEAKER pro tempore. The gentlewoman reserves a point of order against the motion.

The gentleman from Nevada is recognized for 5 minutes.

Mr. HELLER of Nevada. Mr. Speaker, I rise today to address the concerns American workers and small businesses have with fuel prices. The majority party in Congress has offered the American people no real solutions to lower fuel costs. Speaker PELOSI said, "Democrats have a comprehensive plan to help bring down skyrocketing gas prices," and the American people want to know, where is that plan?

Gas prices have risen 50 percent since Democrats took control. Was it the comprehensive energy bill passed last December?

Mr. PRICE of Georgia. Mr. Speaker, the House is not in order.

The SPEAKER pro tempore. The gentleman may proceed.

PARLIAMENTARY INQUIRY

Mr. PRICE of Georgia. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. Does the gentleman from Nevada yield for that purpose?

Mr. HELLER of Nevada. I would yield.

The SPEAKER pro tempore. The gentleman may state his parliamentary inquiry.

Mr. PRICE of Georgia. Is it the role of the Speaker to make certain that the House is in order prior to Members speaking so that the gentleman can be heard? Isn't that appropriate?

The SPEAKER pro tempore. It is the role of the Chair to determine whether or not there is order in the House and to allow the gentleman to proceed with his comments.

Mr. PRICE of Georgia. Mr. Speaker, the House is not in order.

The SPEAKER pro tempore. The gentleman may proceed.

Mr. HELLER of Nevada. Gas prices have risen 50 percent—

Mr. PRICE of Georgia. Mr. Speaker, the House is not in order.

The SPEAKER pro tempore. The gentleman's colleagues will help bring the House to order. Please take your comments off the floor of the House so the gentleman from Nevada may be heard.

The gentleman may proceed.

Mr. HELLER of Nevada. Gas prices have risen 50 percent—

Mr. PRICE of Georgia. Mr. Speaker, the House is not in order.

The SPEAKER pro tempore. The gentleman will suspend.

The gentleman may proceed.

Mr. HELLER of Nevada. Thank you, Mr. Speaker.

Gas prices have risen 50 percent since Democrats took control. Was it the comprehensive energy bill passed last December? Gas prices have risen 7.6 percent and diesel has risen 16 percent since December's highly touted energy bill passed.

Earlier today, I heard on this floor one member of the majority blame others for the increases of the last 16 months. We would hate to take responsibility around here, wouldn't we? To make matters worse, Democrats are actually rallying behind a plan to increase the gas tax by 50 cents per gallon.

Mr. Speaker, in my home State of Nevada, gasoline is already on average \$3.60 a gallon. This is well over \$1 per gallon over what it was when the current majority party took control of Congress.

In the course of holding a number of town hall meetings over the last 16 months, I have spoken to small business owners and more than 100,000 households across my district. During these town hall meetings, I have asked the question, do you support the proposed 50 cent per gallon gasoline tax? Roughly 82 percent of Nevadans asked about this proposal oppose this tax increase. If passed, this gas tax would be devastating for each of the 204,000 small businesses in my home State.

High gasoline and diesel prices are affecting everything and have contributed in part to the rising costs of food and commodities. Increased food prices this year have resulted in a financial burden for many, including small businesses, seniors on Social Security or fixed incomes, and other low-income families. Prices for beef, bakery products and eggs are up sharply.

Several factors have affected food prices, Mr. Speaker, but the most damaging are the gasoline and diesel prices for the operation of equipment and transportation of food to the market.

Our solution to this problem is economics, supply and demand. We need to increase supply, and to that end exploration and production must be increased, including domestically. Refineries need to be built and energy sources expanded, including alternative fuel technology.

Mr. Speaker, in this light I offer my motion to recommit, which will help research ways to lower the price of fuel for Americans and small businesses. This motion simply states that the energy-related research topics in this bill should also include projects that have potential to lower gas and diesel costs.

It is critical that Congress act on this issue of high fuel prices now, not only to help American workers have a better way of life, but to help our struggling small businesses.

Mr. Speaker, on that note, I yield back.

The SPEAKER pro tempore. Does the gentlewoman from New York continue to reserve her point of order?

Mr. HOYER. Mr. Speaker, I ask unanimous consent that the motion be amended to report back to the House forthwith.

The SPEAKER pro tempore. Does the gentleman from Nevada yield for that request?

Mr. HELLER of Nevada. Yes, I do.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. PRICE of Georgia. Mr. Speaker, reserving the right to object, I appreciate the offer of the gentleman, although I would suggest that if the unanimous consent request would also include the bill that has been included by Mr. FOSSELLA in the Senate-passed FISA bill that we have, the Foreign Intelligence Surveillance Act that we have under a discharge petition, then I believe our side would be pleased to accept the unanimous consent.

Mr. HOYER. Will the gentleman yield?

Mr. PRICE of Georgia. I would be happy to.

Mr. HOYER. I am only going to play the game just so far.

Mr. PRICE of Georgia. We would be happy to accept the unanimous consent request if the Foreign Intelligence Surveillance Act will be allowed to come to the floor.

The SPEAKER pro tempore. Does the gentleman object?

Mr. PRICE of Georgia. I object.

The SPEAKER pro tempore. Objection is heard.

Ms. VELÁZQUEZ. Mr. Speaker, I withdraw my reservation on the point of order, and I rise in opposition to the motion.

The SPEAKER pro tempore. The gentlewoman from New York is recognized for 5 minutes.

Ms. VELÁZQUEZ. Mr. Speaker, the motion we are considering today will do nothing to lower gas prices. But what this bill does is it will provide for small businesses to afford the resources that would allow for them to bring prices down by promoting new technologies.

My question to the author of the motion to recommit is, where is your outrage when the President refuses to implement H.R. 6, which would allow for small businesses to lower gas prices?

When the Republicans had a chance to vote on price gouging, you voted "no." When you had a chance to have America invest in alternative energy, you voted "no." When you had a chance to invest in conservation, you voted "no." This is the height of hypocrisy. This motion does nothing to lower gas prices in the country.

□ 1945

In the country, it will kill the bill that we allow for small businesses in this country to have the tools and resources to deal with the issue of energy conservation and gas prices in this Nation.

Vote "no" on this motion to recommit.

I yield to the majority leader.

Mr. HOYER. Ladies and gentlemen of the House, the American public know this game. The gentlelady, the chairman of the Small Business Committee, has just made it clear. Gas prices were \$1.46 when President Bush took over the White House, when the Republicans took over the House, when the Senate was taken over by the Republicans. Gas prices are now \$3.51. Two oil men reside in the White House and in the vice presidency.

Nothing, of course, is your fault, because we have been here, after all, for 14 months. We, of course, have had most of that which we have wanted to pass on economics vetoed by the President. But what we wanted to pass on energy, we agreed with the President and worked on an energy package to get us to independence.

Now I want to talk to my side. We know this is a game. We know this is pure politics. We know there wants to be a 30-second ad to say somehow we voted against bringing gas prices down. That is patently absurd, and the American people are too smart for that. The American people are too smart.

I urge my colleagues on my side; I don't know that I will get any votes on this side, but this is a game, and it is a game that has gone on for too long. I asked for unanimous consent, but Mr. PRICE knows this is a game so he wouldn't give me unanimous consent to include this in the bill and pass it this very night. That is not what you want to do. You want a political ad.

So I am asking everybody on my side—the House wanted to be in order, I heard from over there. I am asking everybody on my side not to play this game, because it will never end. Don't play this game. Don't fool the American public. This is about sending this bill back to committee. It will take weeks to bring it back. The small business community deserves this bill. Support this bill. Reject this cynical political maneuver on this floor tonight.

Ms. VELAZQUEZ. Mr. Speaker, I yield the remainder of my time to the gentleman from Oregon (Mr. WU).

Mr. WU. Instead of grandstanding on gas issues, instead of taking “yes” for an answer, the minority would want to kill a bill that has funded NEI Corporation of Somerset, New Jersey that enables the development of batteries for hybrid vehicles; a program that funded Eltron Research for coal gasification that establishes energy independence; that funded Mohawk Innovative Technology of Albany, New York to enable the hydrogen economy.

You want energy independence? Vote for this bill. Stop the political grandstanding.

Ms. VELAZQUEZ. Mr. Speaker, I urge a “no” vote on the motion to recommit.

I yield back the balance of my time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore. Members are reminded to please direct their remarks to the Chair.

PARLIAMENTARY INQUIRY

Mr. WESTMORELAND. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Georgia will state his parliamentary inquiry.

Mr. WESTMORELAND. Mr. Speaker, is it not true that if indeed this motion to recommit passed, that this bill could be referred back to the two committees from which it came and that it could be back on this floor as soon as tomorrow?

The SPEAKER pro tempore. As the Chair reaffirmed on November 15, 2007, at some subsequent time, the committee could meet and report the bill back to the House.

Mr. WESTMORELAND. I thank the Chair.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. HELLER of Nevada. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on passage of the bill, if ordered; ordering the previous question on House Resolution 1126; and adoption of House Resolution 1126, if ordered.

The vote was taken by electronic device, and there were—ayes 195, noes 215, not voting 21, as follows:

[Roll No. 216]

AYES—195

Aderholt	Davis (KY)	Hill
Akin	Davis, David	Hobson
Bachmann	Deal (GA)	Hoekstra
Bachus	Dent	Hunter
Barrett (SC)	Diaz-Balart, L.	Inglis (SC)
Barrow	Diaz-Balart, M.	Issa
Bartlett (MD)	Donnelly	Johnson (IL)
Barton (TX)	Doolittle	Johnson, Sam
Biggert	Drake	Jones (NC)
Bilbray	Dreier	Jordan
Bilirakis	Duncan	Keller
Bishop (UT)	Ehlers	King (NY)
Blackburn	Emerson	Kingston
Boehner	English (PA)	Kirk
Bonner	Fallin	Kline (MN)
Bono Mack	Ferguson	Knollenberg
Boozman	Flake	Kuhl (NY)
Boustany	Forbes	Lamborn
Brady (TX)	Fortenberry	Lampson
Brown (GA)	Fossella	Latham
Brown (SC)	Fox	LaTourette
Buchanan	Franks (AZ)	Latta
Burgess	Frelinghuysen	Lewis (CA)
Burton (IN)	Gallegly	Lewis (KY)
Buyer	Garrett (NJ)	Linder
Calvert	Gerlach	LoBiondo
Camp (MI)	Gilchrest	Lucas
Cannon	Gingrey	Lungren, Daniel
Cantor	Gohmert	E.
Capito	Goode	Mack
Carter	Goodlatte	Manzullo
Castle	Granger	Marchant
Chabot	Graves	Marshall
Coble	Hall (TX)	McCarthy (CA)
Cole (OK)	Hastings (WA)	McCaul (TX)
Conaway	Hayes	McCotter
Crenshaw	Heller	McCrery
Cubin	Hensarling	McHenry
Culberson	Herger	McHugh

McIntyre	Putnam	Smith (NJ)
McKeon	Radanovich	Smith (TX)
McMorris	Ramstad	Souder
Rodgers	Regula	Space
McNerney	Rehberg	Stearns
Mica	Reichert	Sullivan
Miller (FL)	Renzi	Tancredo
Miller (MI)	Reynolds	Terry
Miller, Gary	Rogers (AL)	Thornberry
Mitchell	Rogers (KY)	Tiahrt
Moran (KS)	Rogers (MI)	Tiberi
Murphy, Tim	Rohrabacher	Turner
Musgrave	Ros-Lehtinen	Upton
Myrick	Roskam	Walberg
Neugebauer	Royce	Walden (OR)
Nunes	Ryan (WI)	Walsh (NY)
Paul	Sali	Wamp
Pearce	Saxton	Weldon (FL)
Pence	Schmidt	Westmoreland
Petri	Sensenbrenner	Whitfield (KY)
Pickering	Sessions	Wilson (NM)
Pitts	Shadegg	Wilson (SC)
Platts	Shays	Wittman (VA)
Poe	Shimkus	Wolf
Porter	Shuster	Young (AK)
Price (GA)	Simpson	Young (FL)
Pryce (OH)	Smith (NE)	

NOES—215

Abercrombie	Gonzalez	Murphy, Patrick
Ackerman	Gordon	Murtha
Allen	Green, Al	Napolitano
Altmire	Green, Gene	Neal (MA)
Arcuri	Grijalva	Oberstar
Baca	Gutierrez	Obey
Baird	Hall (NY)	Olver
Baldwin	Hare	Ortiz
Bean	Harman	Pallone
Becerra	Hastings (FL)	Pascarell
Berkley	Herseth Sandlin	Pastor
Berman	Hinchey	Payne
Berry	Hinojosa	Perlmutter
Bishop (GA)	Hirono	Peterson (MN)
Bishop (NY)	Hodes	Pomeroy
Blumenauer	Holden	Price (NC)
Boren	Holt	Rahall
Boswell	Honda	Rangel
Boucher	Hooley	Reyes
Boyd (FL)	Hoyer	Richardson
Boyda (KS)	Inslee	Rodriguez
Brady (PA)	Israel	Ross
Braley (IA)	Jackson (IL)	Rothman
Brown, Corrine	Jackson-Lee	Roybal-Allard
Butterfield	(TX)	Ruppersberger
Capps	Jefferson	Ryan (OH)
Capuano	Johnson (GA)	Salazar
Cardoza	Johnson, E. B.	Sánchez, Linda
Carnahan	Jones (OH)	T.
Carney	Kagen	Sanchez, Loretta
Carson	Kanjorski	Sarbanes
Castor	Kaptur	Schakowsky
Chandler	Kennedy	Schiff
Clarke	Kildee	Schwartz
Clay	Kilpatrick	Scott (GA)
Cleaver	Kind	Scott (VA)
Cohen	Klein (FL)	Serrano
Conyers	Kucinich	Sestak
Cooper	Langevin	Shea-Porter
Costa	Larsen (WA)	Sherman
Costello	Larson (CT)	Shuler
Courtney	Lee	Sires
Crowley	Levin	Skelton
Cuellar	Lewis (GA)	Slaughter
Cummings	Lipinski	Smith (WA)
Davis (AL)	Loebsack	Snyder
Davis (CA)	Lofgren, Zoe	Solis
Davis (IL)	Lowey	Speier
Davis, Lincoln	Lynch	Spratt
DeFazio	Mahoney (FL)	Stark
DeGette	Maloney (NY)	Stupak
Delahunt	Markey	Sutton
DeLauro	Matheson	Tanner
Dingell	Matsui	Tauscher
Doyle	McCarthy (NY)	Taylor
Edwards	McCollum (MN)	Thompson (CA)
Ellison	McDermott	Thompson (MS)
Ellsworth	McGovern	Tierney
Emanuel	McNulty	Towns
Engel	Meek (FL)	Tsongas
Eshoo	Meeks (NY)	Udall (CO)
Etheridge	Melancon	Udall (NM)
Farr	Michaud	Van Hollen
Fattah	Miller (NC)	Velázquez
Filter	Miller, George	Visclosky
Foster	Mollohan	Walz (MN)
Frank (MA)	Moore (KS)	Wasserman
Giffords	Moore (WI)	Schultz
Gillibrand	Murphy (CT)	

Waters Welch (VT) Wynn
Watson Wexler Yarmuth
Watt Wilson (OH)
Waxman Woolsey
Weiner Wu

NOT VOTING—21

Alexander Davis, Tom LaHood
Andrews Dicks Moran (VA)
Blunt Doggett Nadler
Brown-Waite, Everrett Peterson (PA)
Ginny Feeney Rush
Campbell (CA) Higgins Weller
Clyburn Hulshof
Cramer King (IA)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members have 2 minutes left to record their vote.

□ 2008

Messrs. BONNER, MCINTYRE and MITCHELL changed their vote from “no” to “aye.”

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Ms. VELÁZQUEZ. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 368, noes 43, not voting 20, as follows:

[Roll No. 217]

AYES—368

Abercrombie Buyer Donnelly
Ackerman Calvert Doolittle
Aderholt Camp (MI) Doyle
Akin Cannon Drake
Allen Cantor Dreier
Altmire Capito Edwards
Arcuri Capps Ehlers
Baca Capuano Ellison
Bachmann Cardoza Ellsworth
Bachus Carnahan Emanuel
Baird Carney Emerson
Baldwin Carson Engel
Barrett (SC) Castle English (PA)
Barrow Castor Eshoo
Bartlett (MD) Chabot Etheridge
Bean Chandler Fallin
Becerra Clarke Farr
Berkley Clay Fattah
Berman Cleaver Ferguson
Berry Coble Filner
Biggert Cohen Forbes
Bilbray Cole (OK) Fortenberry
Bilirakis Conaway Fossella
Bishop (GA) Conyers Foster
Bishop (NY) Cooper Frank (MA)
Bishop (UT) Costa Frelinghuysen
Blackburn Costello Gallegly
Blumenauer Courtney Garrett (NJ)
Bonner Crenshaw Gerlach
Bono Mack Crowley Giffords
Boozman Cuellar Gilchrest
Boren Cummings Gillibrand
Boswell Davis (AL) Gingrey
Boucher Davis (CA) Gohmert
Boustany Davis (IL) Gonzalez
Boyd (FL) Davis, David Goode
Boyd (KS) Davis, Lincoln Goodlatte
Brady (PA) DeFazio Gordon
Brady (TX) DeGette Granger
Braley (IA) Delahunt Graves
Brown (SC) DeLauro Green, Al
Brown, Corrine Dent Green, Gene
Buchanan Diaz-Balart, L. Grijalva
Burton (IN) Diaz-Balart, M. Gutierrez
Butterfield Dingell Hall (NY)

Hall (TX) McCotter
Hare McCreery
Harman McDermott
Hastings (FL) McGovern
Hastings (WA) McHenry
Hayes McHugh
Heller McIntyre
Hill McKeon
Hinchey McMorris
Hinojosa Rodgers
Hirono McNerney
Hobson McNulty
Hoekstra Meek (FL)
Holden Meeks (NY)
Holt Melancon
Honda Mica
Hooley Michaud
Hoyer Miller (MI)
Hunter Miller (NC)
Inglis (SC) Miller, George
Inslee Mitchell
Israel Mollohan
Issa Moore (KS)
Jackson (IL) Moore (WI)
Jackson-Lee Moran (KS)
(TX) Murphy (CT)
Jefferson Murphy, Patrick
Johnson (GA) Murphy, Tim
Johnson (IL) Murtha
Johnson, E. B. Musgrave
Johnson, Sam Napolitano
Jones (NC) Neal (MA)
Jones (OH) Oberstar
Kagen Obey
Kanjorski Olver
Kaptur Ortiz
Keller Pallone
Kennedy Pascarell
Kildee Pastor
Kilpatrick Payne
Kind Pearce
King (IA) Pence
King (NY) Perlmutter
Kingston Peterson (MN)
Kirk Petri
Klein (FL) Pickering
Kline (MN) Pitts
Knollenberg Platts
Lamborn Pomeroy
Lampson Porter
Langevin Price (GA)
Larsen (WA) Price (NC)
Larsen (CT) Pryce (OH)
Latham Putnam
LaTourette Rahall
Latta Ramstad
Lee Rangel
Levin Regula
Lewis (CA) Rehberg
Lewis (GA) Reichert
Lewis (KY) Renzi
Lipinski Reyes
LoBiondo Reynolds
Loeb sack Richardson
Lofgren, Zoe Rodriguez
Lowey Rogers (AL)
Lucas Rogers (KY)
Lungren, Daniel Rogers (MI)
E. Ros-Lehtinen
Lynch Roskam
Mack Ross
Mahoney (FL) Rothman
Maloney (NY) Roybal-Allard
Marshall Ruppersberger
Matheson Ryan (OH)
Matsui Ryan (WI)
McCarthy (CA) Salazar
McCarthy (NY) Sánchez, Linda
McCaull (TX) T.
McCollum (MN) Sanchez, Loretta

NOES—43

Barton (TX) Herseth Sandlin
Boehner Hodes
Broun (GA) Jordan
Burgess Kucinich
Carter Kuhl (NY)
Cubin Linder
Culberson Manzanillo
Davis (KY) Marchant
Deal (GA) Markey
Duncan Miller (FL)
Flake Miller, Gary
Foxy Myrick
Franks (AZ) Neugebauer
Hensarling Nunes
Herger Paul

Sarbanes Saxton
Schakowsky Schmitt
Schiff Schmidt
Schwartz Schwartz
Scott (GA) Scott (GA)
Scott (VA) Scott (VA)
Serrano Sestak
Shays Shays
Shea-Porter Shea-Porter
Sherman Sherman
Shimkus Shimkus
Shuler Shuler
Shuster Shuster
Simpson Simpson
Sires Sires
Skelton Skelton
Slaughter Slaughter
Smith (NE) Smith (NE)
Smith (NJ) Smith (NJ)
Smith (TX) Smith (TX)
Smith (WA) Smith (WA)
Snyder Snyder
Solis Solis
Souder Souder
Space Space
Speier Speier
Spratt Spratt
Stark Stark
Stupak Stupak
Sullivan Sullivan
Sutton Sutton
Tanner Tanner
Tauscher Tauscher
Taylor Taylor
Terry Terry
Thompson (CA) Thompson (CA)
Thompson (MS) Thompson (MS)
Tiahrt Tiahrt
Tiberi Tiberi
Tierney Tierney
Towns Towns
Turner Turner
Udall (CO) Udall (CO)
Udall (NM) Udall (NM)
Upton Upton
Van Hollen Van Hollen
Velázquez Velázquez
Visclosky Visclosky
Walberg Walberg
Walden (OR) Walden (OR)
Walsh (NY) Walsh (NY)
Walz (MN) Walz (MN)
Wamp Wamp
Wasserman Wasserman
Schultz Schultz
Waters Waters
Watson Watson
Watt Watt
Waxman Waxman
Weiner Weiner
Welch (VT) Welch (VT)
Weldon (FL) Weldon (FL)
Wexler Wexler
Whitfield (KY) Whitfield (KY)
Wilson (NM) Wilson (NM)
Wilson (OH) Wilson (OH)
Wilson (SC) Wilson (SC)
Wittman (VA) Wittman (VA)
Wolf Wolf
Woolsey Woolsey
Wu Wu
Wynn Wynn
Yarmuth Yarmuth
Young (AK) Young (AK)
Young (FL) Young (FL)

NOT VOTING—20

Alexander Cramer Hulshof
Andrews Davis, Tom LaHood
Blunt Dicks Moran (VA)
Brown-Waite, Doggett Nadler
Ginny Everett Peterson (PA)
Campbell (CA) Feeney Rush
Clyburn Higgins Weller

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members have 2 minutes remaining to vote.

□ 2015

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2830, COAST GUARD AUTHORIZATION ACT OF 2008

The SPEAKER pro tempore. The unfinished business is the vote on ordering the previous question on House Resolution 1126, on which a recorded vote was ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 220, noes 187, not voting 24, as follows:

[Roll No. 218]

AYES—220

Abercrombie Davis, Lincoln Johnson (GA)
Ackerman DeFazio Johnson, E. B.
Allen DeGette Jones (OH)
Altmire Delahunt Kagen
Arcuri DeLauro Kanjorski
Baca Dingell Kaptur
Baird Donnelly Kennedy
Baldwin Doyle Kildee
Barrow Ellison Kilpatrick
Bean Ellsworth Kind
Becerra Emanuel Klein (FL)
Berkley Engel Kucinich
Berman Eshoo Langevin
Berry Etheridge Larsen (WA)
Bishop (GA) Farr Larson (CT)
Bishop (NY) Fattah Lee
Blumenauer Filner Levin
Boren Foster Lewis (GA)
Boswell Frank (MA) Lipinski
Boucher Giffords Loeb sack
Boyd (FL) Gillibrand Lofgren, Zoe
Boyda (KS) Gonzalez Lowey
Brady (PA) Gordon Lynch
Braley (IA) Green, Al Mahoney (FL)
Brown, Corrine Green, Gene Maloney (NY)
Butterfield Grijalva Markey
Capps Gutierrez Marshall
Capuano Hall (NY) Matheson
Cardoza Hare Matsui
Carnahan Harman McCarthy (NY)
Carney Hastings (FL) McCollum (MN)
Carson Herseth Sandlin McDermott
Castor Hill McGovern
Chandler Hinchey McIntyre
Clarke Hinojosa McNerney
Cleaver Hirono McNulty
Cohen Hodes Meek (FL)
Conyers Holden Meeks (NY)
Cooper Holt Melancon
Costa Honda Michaud
Costello Hooley Miller (NC)
Courtney Hoyer Miller, George
Crowley Inslee Mitchell
Cuellar Israel Mollohan
Cummings Jackson (IL) Moore (KS)
Davis (AL) Jackson-Lee Moore (WI)
Davis (CA) (TX) Murphy (CT)
Davis (IL) Jefferson Murphy, Patrick