To support innovative approaches to technology transfer, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2013

Mr. COLLINS of New York (for himself, Mr. KILMER, Mr. SMITH of Texas, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BUCSHON, and Mr. LIPINSKI) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To support innovative approaches to technology transfer, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Technology and Research Accelerating National Security and Future Economic Resiliency Act of 2013” or the “TRANSFER Act of 2013”.

SEC. 2. INNOVATIVE APPROACHES TO TECHNOLOGY TRANSFER.

Section 9(jj) of the Small Business Act (15 U.S.C. 638(jj)) is amended to read as follows:

“(jj) INNOVATIVE APPROACHES TO TECHNOLOGY TRANSFER.—

“(1) GRANT PROGRAM.—

“(A) IN GENERAL.—Each Federal agency required by subsection (n) to establish an STTR program shall carry out a grant program to support innovative approaches to technology transfer at institutions of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)), non-profit research institutions and Federal laboratories in order to accelerate the commercialization of federally funded research and technology by small business concerns, including new businesses.

“(B) AWARDING OF GRANTS AND AWARDS.—

“(i) IN GENERAL.—Each Federal agency required by subparagraph (A) to participate in this program, shall award, through a competitive, merit-based process, grants, in the amounts listed in subpara-
graph (C) to institutions of higher education, technology transfer organizations that facilitate the commercialization of technologies developed by one or more such institutions of higher education, Federal laboratories, other public and private non-profit entities, and consortia thereof, for initiatives that help identify high-quality, commercially viable federally funded research and technologies and to facilitate and accelerate their transfer into the marketplace.

“(ii) USE OF FUNDS.—Activities supported by grants under this subsection may include—

“(I) providing early-stage proof of concept funding for translational research;

“(II) identifying research and technologies at recipient institutions that have the potential for accelerated commercialization;

“(III) technology maturation funding to support activities such as prototype construction, experiment
analysis, product comparison, and collecting performance data;

“(IV) technical validations, market research, clarifying intellectual property rights position and strategy, and investigating commercial and business opportunities; and

“(V) programs to provide advice, mentoring, entrepreneurial education, project management, and technology and business development expertise to innovators and recipients of technology transfer licenses to maximize commercialization potential.

“(iii) SELECTION PROCESS AND APPLICATIONS.—Qualifying institutions seeking a grant under this subsection shall submit an application to a Federal agency required by subparagraph (A) to participate in this program at such time, in such manner, and containing such information as the agency may require. The application shall include, at a minimum—

“(I) a description of innovative approaches to technology transfer,
technology development, and commercial readiness that have the potential to increase or accelerate technology transfer outcomes and can be adopted by other qualifying institutions, or a demonstration of proven technology transfer and commercialization strategies, or a plan to implement proven technology transfer and commercialization strategies, that can achieve greater commercialization of federally funded research and technologies with program funding;

“(II) a description of how the qualifying institution will contribute to local and regional economic development efforts; and

“(III) a plan for sustainability beyond the duration of the funding award.

“(iv) **Program Oversight Boards.**—

“(I) **In General.—** Successful proposals shall include a plan to assemble a Program Oversight Board,
the members of which shall have technical, scientific, or business expertise and shall be drawn from industry, start-up companies, venture capital, technical enterprises, financial institutions, and business development organizations.

“(II) PROGRAM OVERSIGHT BOARDS RESPONSIBILITIES.—Program Oversight Boards shall—

“(aa) establish award programs for individual projects;

“(bb) provide rigorous evaluation of project applications;

“(cc) determine which projects should receive awards, in accordance with guidelines established under subparagraph (C)(ii);

“(dd) establish milestones and associated award amounts for projects that reach milestones;
“(ee) determine whether awarded projects are reaching milestones; and

“(ff) develop a process to re-allocate outstanding award amounts from projects that are not reaching milestones to other projects with more potential.

“(C) GRANT AND AWARD AMOUNTS.—

“(i) GRANT AMOUNTS.—Each Federal agency required by subparagraph (A) to carry out a grant program may make grants to a qualifying institution for up to $1,000,000 per year for up to 3 years.

“(ii) AWARD AMOUNTS.—Each qualifying institution that receives a grant under subparagraph (B) shall provide awards for individual projects of not more than $150,000, to be provided in phased amounts, based on reaching the milestones established by the qualifying institution’s Program Oversight Board.

“(D) AUTHORIZED EXPENDITURES FOR INNOVATIVE APPROACHES TO TECHNOLOGY TRANSFER GRANT PROGRAM.—
“(i) PERCENTAGE.—The percentage of the extramural budget each Federal agency required by subsection (n) to establish an STTR program shall expend on the Innovative Approaches to Technology Transfer Grant Program shall be—

“(I) 0.05 percent for each of fiscal years 2014 and 2015; and

“(II) 0.1 percent for each of fiscal years 2016 and 2017.

“(ii) TREATMENT OF EXPENDITURES.—Any portion of the extramural budget expended by a Federal agency on the Innovative Approaches to Technology Transfer Grant Program shall apply towards the agency’s expenditure requirements under subsection (n).

“(2) PROGRAM EVALUATION AND DATA COLLECTION AND DISSEMINATION.—

“(A) EVALUATION PLAN AND DATA COLLECTION.—Each Federal agency required by paragraph (1)(A) to establish an Innovative Approaches to Technology Transfer Grant Program shall develop a program evaluation plan and collect annually such information from
grantees as is necessary to assess the Program. Program evaluation plans shall require the collection of data aimed at identifying outcomes resulting from the transfer of technology with assistance from the Innovative Approaches to Technology Transfer Grant Program, such as—

“(i) specific follow-on funding identified or obtained, including follow-on funding sources, such as Federal sources or private sources;

“(ii) number of projects which result in a license to a start-up company or an established company with sufficient resources for effective commercialization within 5 years of receiving an award under paragraph (1);

“(iii) invention disclosures and patents;

“(iv) number of projects supported by qualifying institutions receiving a grant under paragraph (1) that secure Phase I or Phase II SBIR or STTR awards;

“(v) available information on revenue, sales or other measures of products that
have been commercialized as a result of projects awarded under paragraph (1);

“(vi) number and location of jobs created resulting from projects awarded under paragraph (1); and

“(vii) other data as deemed appropriate by a Federal agency required by this subparagraph to develop a program evaluation plan.

“(B) EVALUATIVE REPORT TO CONGRESS.—The head of each Federal agency that participates in the Innovative Approaches to Technology Transfer Grant Program shall submit to the Committee on Science, Space, and Technology and the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate an evaluative report regarding the activities of the program. The report shall include—

“(i) a detailed description of the implementation of the program;

“(ii) a detailed description of the grantee selection process;
“(iii) an accounting of the funds used in the program; and

“(iv) a summary of the data collected under subparagraph (A).

“(C) DATA DISSEMINATION.—For the purposes of program transparency and dissemination of best practices, the Administrator shall include on the public database under subsection (k)(1) information on the Innovative Approaches to Technology Transfer Grant Program, including—

“(i) the program evaluation plan required under subparagraph (A);

“(ii) a list of recipients of awards under paragraph (1); and

“(iii) information on the use of grants under paragraph (1) by recipient institutions.”.

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