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Folder Title: 10/15/2001 [H. R. 1860]

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DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
001	Memorandum	Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001 [page 3] - To: POTUS - From: Mitchell E. Daniels, Jr.	1	10/05/2001	P6/b6;

COLLECTION TITLE:
Executive Clerk, Office Of the

SERIES:
Saunders, G. Timothy (Tim) - Bill Files

FOLDER TITLE:
10/15/2001 [H. R. 1860]

FRC ID:
779

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

 This document was prepared on Tuesday, July 02, 2013

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE PRESIDENT HAS SEEN 10-15-01

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001
Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

October 15, 2001 - Monday

Purpose

(1) Extends the authority for the Small Business Technology Transfer (STTR) Program by eight years, through fiscal year 2009; and (2) doubles the STTR program set-aside for major Federal agency external research budgets from 0.15 percent to 0.30 percent.

Agency Recommendations

Office of Management and Budget	Approval
Small Business Administration (SBA)	Approval
National Science Foundation (NSF)	Approval
Department of Justice	No objection (Informally)
Office of Science and Technology Policy (OSTP)	No objection (Informally)
Department of Defense	Defers to OSTP (Informally)
Department of Energy	Defers to SBA (Informally)
Department of Health and Human Services (HHS)	Defers to SBA (Informally)
Department of Commerce	No comment (Informally)
National Aeronautics and Space Administration (NASA)	No comment (Informally)

Discussion

The STTR program requires Federal agencies with annual external research or research and development budgets exceeding $1 billion to set aside 0.15 percent of those budgets for research projects performed jointly by small businesses and research institutions such as universities or Federally funded laboratories. Five agencies (the Departments of Defense, Energy, and HHS, NSF, and NASA) are currently covered by the program. These agencies are also covered by the larger Small Business Innovation Research (SBIR) program, under which agencies are required to set aside 2.5 percent of their research budgets for research performed by small businesses generally.

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The STTR program was established by law in 1992 as a pilot program, and was extended in 1996 and 1997. The most recent extension expired on September 30, 2001.

Provisions of H.R. 1860

The enrolled bill would extend the authorization for the STTR program through September 30, 2009, and would remove its statutory designation as a "pilot" program. H.R.1860 would also double the current 0.15 percent set-aside for the STTR program to 0.30 percent beginning in FY 2004. (In testimony before the House and Senate Small Business Committees, the Administration proposed that the STTR program be reauthorized for three years, with no increase to the current 0.15 percent set-aside rate.) Also beginning in FY 2004, the amount of Phase II grants would be increased from $500,000 to $750,000 and awarding agencies would be given the discretion to shorten or lengthen the current two-year Phase II period where appropriate for specific projects.

In addition, H.R. 1860 would require SBA to issue two new regulations. The first new regulation would prescribe a standard agreement, which participating agencies would be required to adopt, clarifying the property rights of small businesses and research institutions concerning intellectual property developed with the assistance of STTR grants. Concurrently, SBA would be required to modify existing policy directives to clarify that a small business retains rights to data it generates in STTR-funded projects for at least four years after that business completes participation in a phase of the award. The second new regulation would establish standards for evaluations for grants under the Federal and State Technology (FAST) Partnership program, including consideration of whether funding proposals address the needs of small businesses owned by women or minorities or areas that have historically not participated in the STTR and the SBIR programs. (The FAST Program provides grants to support State efforts to recruit and assist participants in the SBIR program.)

The enrolled bill would also require SBA to collect and maintain information necessary to assess the STTR Program. In addition, the enrolled bill would require SBA to maintain an electronic public database of information about the STTR Program similar to the database maintained for the SBIR Program. SBA would have to include in the database, with respect to any individual project receiving STTR assistance, information on: (1) whether the small

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Finally, the enrolled bill would require agencies to engage in outreach to research institutions and small businesses to enhance their STTR programs in conjunction with any similar outreach done for the SBIR Program.

Conclusion and Recommendations

SBA recommends approval in its views letter, stating that H.R. 1860 "will enable us to continue our efforts to strengthen the competitiveness of small businesses to participate in Federal research and development." SBA notes that, since the STTR program's inception in 1992, "Federal agencies have awarded more than $236 million [in grants under the STTR program] to small businesses."

We join SBA and NSF in recommending that you approve H.R. 1860, which passed the House by voice vote and the Senate by unanimous consent.

M E Daniels Jr

Mitchell E. Daniels, Jr.
Director

Enclosures

SS/ RM NO. 494299

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT N/C	✓	☐	HUBBARD	✓	☐
CARD	✓	☐	IRASTORZA	☐	☐
HUGHES N/C	✓	☐	JOHNSON ok	✓	☐
ROVE	✓	☐	LINDSEY ok	✓	☐
BOLTEN N/C	✓	☐	SPELLINGS ok	✓	☐
HAGIN	☐	✓	MIERS NC	☐	☐
DANIELS	✓	☐	RICE	☐	☐
BLAKEMAN	☐	☐	CONNAUGHTON	✓	☐
CALIO ok	✓	☐	GERSON	☐	☐
FLEISCHER	☐	✓	CLERK	☐	✓
GONZALES no objection	✓	☐	______	☐	☐
HAWKINS	✓	☐	______	☐	☐

REMARKS:
PLEASE SEND COMMENTS TO STAFF SECRETARY NO LATER THAN 2:00 PM MONDAY, 10-8-01. THANK YOU.

APPROVED
OCT 15 2001

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'01 OCT 5 PM 11:07

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001
Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

October 15, 2001 - Monday

Purpose

(1) Extends the authority for the Small Business Technology Transfer (STTR) Program by eight years, through fiscal year 2009; and (2) doubles the STTR program set-aside for major Federal agency external research budgets from 0.15 percent to 0.30 percent.

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We join SBA and NSF in recommending that you approve H.R. 1860, which passed the House by voice vote and the Senate by unanimous consent.

M E Daniels Jr

Mitchell E. Daniels, Jr.
Director

Enclosures

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'01 OCT 5 PM11:07

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

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Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

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M E Daniels Jr

Mitchell E. Daniels, Jr.
Director

Enclosures

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR OCT - 4 2001

The Honorable Mitch Daniels
Director
Office of Management and Budget
Washington, DC 20503

Dear Mr. Daniels:

This is in response to your request for views of the U.S. Small Business Administration (SBA) on the enrolled bill, H.R. 1860, the "Small Business Technology Transfer Program Reauthorization Act of 2001."

The SBA supports the President signing this bill. The bill, among other things, authorizes the Small Business Technology Transfer (STTR) Program through fiscal year 2009, increases the Phase II award level to $750,000 and the percentage set-aside to 0.30 percent in fiscal year 2004 and each year thereafter. We believe this bill will enable us to continue our efforts to strengthen the competitiveness of small businesses to participate in Federal research and development.

The goal of the STTR Program is to link small businesses with creative ideas at universities, non-profit scientific and educational institutions, and Federal laboratories to advance technological innovation in Federal research and development programs. Through this collaboration, high quality research is made available in the American economy. Since the Program's authorization in 1992, and the issuance of the first awards in 1994, the Federal agencies have awarded more than $236 million to small businesses, with the research partners receiving more than $33 million of those funds.

SBA recommends that the President sign this bill.

Sincerely,

Hector V. Barreto

Hector V. Barreto
Administrator

NATIONAL SCIENCE FOUNDATION
4201 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22230

OFFICE OF THE
DEPUTY DIRECTOR

October 1, 2001

Honorable Mitchell E. Daniels. Jr.
Director
Office of Management and Budget
Washington, DC 20503

RE: Enrolled Bill Request – H.R. 1860

Dear Mr. Daniels:

Section 2 of the "Small Business Technology Transfer Program Reauthorization Act of 2001" would require the National Science Foundation to double the size of our Small Business Technology Transfer Program in Fiscal Years 2004 and beyond. Section 4 of the bill would require us to institute an outreach program to enhance the STTR Program. Section 6 would require us to collect information from awardees for a database to be maintained by the Small Business Administration.

These spending and administrative requirements would require us to devote approximately $7 million more to the STTR Program in FY04 and future budgets than currently planned.

The Foundation recommends that the President sign this measure.

Thank you for the opportunity to comment on this enrolled bill.

Sincerely,

Joseph Bordogna
Deputy Director

Memo to the Record

Date: 06/22/2016

Collection: Executive Clerk, Office of the Saunders, G. Timothy (Tim)

Series: Bill Flies

Folder Title: 10/15/2001 [H. R. 1860]

RE: Small Business Technology Transfer Program Reauthorization Act of 2001

A copy of the report entitled "Small Business Technology Transfer Program Reauthorization Act of 2001" is included at this location in this folder. It was not scanned. It can be viewed at https://www.congress.gov/congressional-report/107th-congress/house-report/213/1?q=%7B%22search%22%3A%5B%22Small+Business+Technology+Transfer+Program+Reauthorization+Act+of+2001%22%5D%7D&resultIndex=1 If this link is broken, please contact the George W. Bush Presidential Library archives.

H. R. 1860

One Hundred Seventh Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Wednesday, the third day of January, two thousand and one

An Act

To reauthorize the Small Business Technology Transfer Program, 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 "Small Business Technology Transfer Program Reauthorization Act of 2001".

SEC. 2. EXTENSION OF PROGRAM AND EXPENDITURE AMOUNTS.

(a) IN GENERAL.—Section 9(n)(1) of the Small Business Act (15 U.S.C. 638(n)(1)) is amended to read as follows:

"(1) REQUIRED EXPENDITURE AMOUNTS.—

"(A) IN GENERAL.—With respect to each fiscal year through fiscal year 2009, each Federal agency that has an extramural budget for research, or research and development, in excess of $1,000,000,000 for that fiscal year, shall expend with small business concerns not less than the percentage of that extramural budget specified in subparagraph (B), specifically in connection with STTR programs that meet the requirements of this section and any policy directives and regulations issued under this section.

"(B) EXPENDITURE AMOUNTS.—The percentage of the extramural budget required to be expended by an agency in accordance with subparagraph (A) shall be—

"(i) 0.15 percent for each fiscal year through fiscal year 2003; and

"(ii) 0.3 percent for fiscal year 2004 and each fiscal year thereafter.".

(b) CONFORMING AMENDMENT.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended in subsections (b)(4) and (e)(6), by striking "pilot" each place it appears.

SEC. 3. INCREASE IN AUTHORIZED PHASE II AWARDS.

(a) IN GENERAL.—Section 9(p)(2)(B)(ix) of the Small Business Act (15 U.S.C. 638(p)(2)(B)(ix)) is amended—

(1) by striking "$500,000" and inserting "$750,000"; and

(2) by inserting before the semicolon at the end the following: ", and shorter or longer periods of time to be approved at the discretion of the awarding agency where appropriate for a particular project".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective beginning in fiscal year 2004.

SEC. 4. AGENCY OUTREACH.

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

(1) in paragraph (12), by striking "and" at the end;

(2) in paragraph (13), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(14) implement an outreach program to research institutions and small business concerns for the purpose of enhancing its STTR program, in conjunction with any such outreach done for purposes of the SBIR program; and".

SEC. 5. POLICY DIRECTIVE MODIFICATIONS.

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

"(3) MODIFICATIONS.—Not later than 120 days after the date of enactment of this paragraph, the Administrator shall modify the policy directive issued pursuant to this subsection to clarify that the rights provided for under paragraph (2)(B)(v) apply to all Federal funding awards under this section, including the first phase (as described in subsection (e)(6)(A)), the second phase (as described in subsection (e)(6)(B)), and the third phase (as described in subsection (e)(6)(C)).".

SEC. 6. STTR PROGRAM DATA COLLECTION.

(a) IN GENERAL.—Section 9(o) of the Small Business Act (15 U.S.C. 638(o)), as amended by this Act, is amended by adding at the end the following:

"(15) collect, and maintain in a common format in accordance with subsection (v), such information from awardees as is necessary to assess the STTR program, including information necessary to maintain the database described in subsection (k).".

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

(1) in paragraph (1)—

(A) by inserting "or STTR" after "SBIR" each place it appears;

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

(C) in subparagraph (D), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(E) with respect to assistance under the STTR program only—

"(i) whether the small business concern or the research institution initiated their collaboration on each assisted STTR project;

"(ii) whether the small business concern or the research institution originated any technology relating to the assisted STTR project;

"(iii) the length of time it took to negotiate any licensing agreement between the small business concern and the research institution under each assisted STTR project; and

"(iv) how the proceeds from commercialization, marketing, or sale of technology resulting from each assisted STTR project were allocated (by percentage) between the small business concern and the research institution."; and

(2) in paragraph (2)—

(A) by inserting "or an STTR program pursuant to subsection (n)(1)" after "(f)(1)";

(B) by striking "solely for SBIR" and inserting "exclusively for SBIR and STTR";

(C) in subparagraph (A)(iii), by inserting "and STTR" after "SBIR"; and

(D) in subparagraph (D), by inserting "or STTR" after "SBIR".

(c) SIMPLIFIED REPORTING REQUIREMENTS.—Section 9(v) of the Small Business Act (15 U.S.C. 638(v)) is amended by inserting "or STTR" after "SBIR" each place it appears.

(d) REPORTS TO CONGRESS.—Section 9(b)(7) of the Small Business Act (15 U.S.C. 638(b)(7)) is amended by striking "and (o)(9)," and inserting ", (o)(9), and (o)(15), the number of proposals received from, and the number and total amount of awards to, HUBZone small business concerns under each of the SBIR and STTR programs,".

SEC. 7. STTR PROGRAM-WIDE MODEL AGREEMENT FOR INTELLECTUAL PROPERTY RIGHTS.

(a) DEVELOPMENT OF MODEL AGREEMENT.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

"(w) STTR MODEL AGREEMENT FOR INTELLECTUAL PROPERTY RIGHTS.—

"(1) IN GENERAL.—The Administrator shall promulgate regulations establishing a single model agreement for use in the STTR program that allocates between small business concerns and research institutions intellectual property rights and rights, if any, to carry out follow-on research, development, or commercialization.

"(2) OPPORTUNITY FOR COMMENT.—In promulgating regulations under paragraph (1), the Administrator shall provide to affected agencies, small business concerns, research institutions, and other interested parties the opportunity to submit written comments.".

(b) ADOPTION OF MODEL AGREEMENT BY FEDERAL AGENCIES.—Section 9(o)(11) of the Small Business Act (15 U.S.C. 638(o)(11)) is amended by striking "develop a model agreement not later than July 31, 1993, to be approved by the Administration," and inserting "adopt the agreement developed by the Administrator under subsection (w) as the agency's model agreement".

SEC. 8. FAST PROGRAM ASSISTANCE TO WOMEN-OWNED AND MINORITY-OWNED SMALL BUSINESS CONCERNS AND CONCERNS LOCATED IN AREAS NOT PARTICIPATING IN SBIR AND STTR.

(a) SELECTION CONSIDERATION.—Section 34(c)(2)(B) of the Small Business Act (15 U.S.C. 657d(c)(2)(B)) is amended—

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

(2) in clause (v), by striking the period at the end and inserting "; and"; and

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

"(vi) whether the proposal addresses the needs of small business concerns—

"(I) owned and controlled by women;

"(II) owned and controlled by minorities; and

"(III) located in areas that have historically not participated in the SBIR and STTR programs.".

(b) REGULATIONS.—Section 34(c)(4) of the Small Business Act (15 U.S.C. 657d(c)(4)) is amended by adding at the end the following: "The Administrator shall promulgate regulations establishing standards for the consideration of proposals under paragraph (2), including standards regarding each of the considerations identified in paragraph (2)(B).".

Speaker of the House of Representatives.

Vice President of the United States and
President of the Senate.

SS/ RM NO. 494299

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
HUGHES	☑	☐	JOHNSON	☑	☐
ROVE	☑	☐	LINDSEY	☑	☐
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HAGIN	☐	☑	MIERS	☐	☐
DANIELS	☑	☐	RICE	☐	☐
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CALIO	☑	☐	GERSON	☐	☐
FLEISCHER	☐	☑	CLERK	☐	☑
GONZALES	☑	☐	______	☐	☐
HAWKINS	☑	☐	______	☐	☐

REMARKS:
PLEASE SEND COMMENTS TO STAFF SECRETARY NO LATER THAN 2:00 PM MONDAY, 10-8-01. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'01 OCT 5 PM 11:05

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001
Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

October 15, 2001 - Monday

Purpose

(1) Extends the authority for the Small Business Technology Transfer (STTR) Program by eight years, through fiscal year 2009; and (2) doubles the STTR program set-aside for major Federal agency external research budgets from 0.15 percent to 0.30 percent.

Agency Recommendations

Office of Management and Budget	Approval
Small Business Administration (SBA)	Approval
National Science Foundation (NSF)	Approval
Department of Justice	No objection (Informally)
Office of Science and Technology Policy (OSTP)	No objection (Informally)
Department of Defense	Defers to OSTP (Informally)
Department of Energy	Defers to SBA (Informally)
Department of Health and Human Services (HHS)	Defers to SBA (Informally)
Department of Commerce	No comment (Informally)
National Aeronautics and Space Administration (NASA)	No comment (Informally)

Discussion

The STTR program requires Federal agencies with annual external research or research and development budgets exceeding $1 billion to set aside 0.15 percent of those budgets for research projects performed jointly by small businesses and research institutions such as universities or Federally funded laboratories. Five agencies (the Departments of Defense, Energy, and HHS, NSF, and NASA) are currently covered by the program. These agencies are also covered by the larger Small Business Innovation Research (SBIR) program, under which agencies are required to set aside 2.5 percent of their research budgets for research performed by small businesses generally.

The STTR program is designed to promote collaboration between small firms and research institutions. To receive an award under the program, a research institution and a small firm must jointly submit a research proposal to an agency. Applicants whose proposals are accepted proceed through up to three phases. In Phase I, participants are awarded one-year grants of up to $100,000 to explore a concept's scientific, technical, and commercial potential. Participants with apparently meritorious concepts are permitted to proceed to Phase II, in which they receive a two-year grant of up to $500,000 to further develop the concept. In Phase III (for which participants cannot use STTR funds), participants work on commercializing their concepts and may also continue research and development.

The STTR program was established by law in 1992 as a pilot program, and was extended in 1996 and 1997. The most recent extension expired on September 30, 2001.

Provisions of H.R. 1860

The enrolled bill would extend the authorization for the STTR program through September 30, 2009, and would remove its statutory designation as a "pilot" program. H.R.1860 would also double the current 0.15 percent set-aside for the STTR program to 0.30 percent beginning in FY 2004. (In testimony before the House and Senate Small Business Committees, the Administration proposed that the STTR program be reauthorized for three years, with no increase to the current 0.15 percent set-aside rate.) Also beginning in FY 2004, the amount of Phase II grants would be increased from $500,000 to $750,000 and awarding agencies would be given the discretion to shorten or lengthen the current two-year Phase II period where appropriate for specific projects.

In addition, H.R. 1860 would require SBA to issue two new regulations. The first new regulation would prescribe a standard agreement, which participating agencies would be required to adopt, clarifying the property rights of small businesses and research institutions concerning intellectual property developed with the assistance of STTR grants. Concurrently, SBA would be required to modify existing policy directives to clarify that a small business retains rights to data it generates in STTR-funded projects for at least four years after that business completes participation in a phase of the award. The second new regulation would establish standards for evaluations for grants under the Federal and State Technology (FAST) Partnership program, including consideration of whether funding proposals address the needs of small businesses owned by women or minorities or areas that have historically not participated in the STTR and the SBIR programs. (The FAST Program provides grants to support State efforts to recruit and assist participants in the SBIR program.)

The enrolled bill would also require SBA to collect and maintain information necessary to assess the STTR Program. In addition, the enrolled bill would require SBA to maintain an electronic public database of information about the STTR Program similar to the database maintained for the SBIR Program. SBA would have to include in the database, with respect to any individual project receiving STTR assistance, information on: (1) whether the small

business or the research institution initiated the collaboration; (2) whether the small business or the research institution originated the technology; (3) the length of time it took to negotiate a licensing agreement between the small business and the research institution; and (4) how the proceeds from the commercialization, marketing, or sale of technology were allocated between the small business and the research institution.

Finally, the enrolled bill would require agencies to engage in outreach to research institutions and small businesses to enhance their STTR programs in conjunction with any similar outreach done for the SBIR Program.

Conclusion and Recommendations

SBA recommends approval in its views letter, stating that H.R. 1860 "will enable us to continue our efforts to strengthen the competitiveness of small businesses to participate in Federal research and development." SBA notes that, since the STTR program's inception in 1992, "Federal agencies have awarded more than $236 million [in grants under the STTR program] to small businesses."

We join SBA and NSF in recommending that you approve H.R. 1860, which passed the House by voice vote and the Senate by unanimous consent.

M E Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

SS/ RM NO. 494299

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
HUGHES	☑	☐	JOHNSON	☑	☐
ROVE	☑	☐	LINDSEY	☑	☐
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FLEISCHER	☐	☑	CLERK	☐	☑
GONZALES	☑	☐	________	☐	☐
HAWKINS	☑	☐	________	☐	☐

REMARKS:
PLEASE SEND COMMENTS TO STAFF SECRETARY NO LATER THAN 2:00 PM MONDAY, 10-8-01. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'01 OCT 5 PM 11:08

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001
Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

October 15, 2001 - Monday

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M E Daniels Jr

Mitchell E. Daniels, Jr.
Director

Enclosures

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*** TX REPORT ***
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TRANSMISSION OK

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RESULT	OK

SS/ RM NO. 494299

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
HUGHES	☑	☐	JOHNSON	☑	☐
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FLEISCHER	☐	☑	CLERK	☐	☑
GONZALES	☑	☐	________	☐	☐
HAWKINS	☑	☐	________	☐	☐

REMARKS:
PLEASE SEND COMMENTS TO STAFF SECRETARY NO LATER THAN 2:00 PM MONDAY, 10-8-01. THANK YOU.

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*** TX REPORT ***
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TRANSMISSION OK

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ST. TIME	10/06 00:25
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RESULT	OK

SS/ RM NO. 494299

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
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GONZALES	☑	☐	________	☐	☐
HAWKINS	☑	☐	________	☐	☐

REMARKS:
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*** TX REPORT ***
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TRANSMISSION OK

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ST. TIME	10/06 00:30
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RESULT	OK

SS/ RM NO. 494299

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	HUBBARD	✓	☐
CARD	✓	☐	IRASTORZA	☐	☐
HUGHES	✓	☐	JOHNSON	✓	☐
ROVE	✓	☐	LINDSEY	✓	☐
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CALIO	✓	☐	GERSON	☐	☐
FLEISCHER	☐	✓	CLERK	☐	✓
GONZALES	✓	☐	________	☐	☐
HAWKINS	✓	☐	________	☐	☐

REMARKS:
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*** TX REPORT ***
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TRANSMISSION OK

TX/RX NO	0345
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CONNECTION ID	
ST. TIME	10/06 00:28
USAGE T	01'50
PGS. SENT	4
RESULT	OK

SS/ RM NO. 494299

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
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HAWKINS	☑	☐	______	☐	☐

REMARKS:
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SS/ RM NO. 494299

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Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

'01 OCT 7 PM5:18

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
HUGHES	☑	☐	JOHNSON	☑	☐
ROVE	☑	☐	LINDSEY	☑	☐
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FLEISCHER	☐	☑	CLERK	☐	☑
GONZALES	☑	☐	______	☐	☐
HAWKINS	☑	☐	______	☐	☐

REMARKS:
PLEASE SEND COMMENTS TO STAFF SECRETARY NO LATER THAN 2:00 PM MONDAY, 10-8-01. THANK YOU.

No comments

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'01 OCT 5 PM 11:06

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001
Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

October 15, 2001 - Monday

Purpose

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The STTR program was established by law in 1992 as a pilot program, and was extended in 1996 and 1997. The most recent extension expired on September 30, 2001.

Provisions of H.R. 1860

The enrolled bill would extend the authorization for the STTR program through September 30, 2009, and would remove its statutory designation as a "pilot" program. H.R.1860 would also double the current 0.15 percent set-aside for the STTR program to 0.30 percent beginning in FY 2004. (In testimony before the House and Senate Small Business Committees, the Administration proposed that the STTR program be reauthorized for three years, with no increase to the current 0.15 percent set-aside rate.) Also beginning in FY 2004, the amount of Phase II grants would be increased from $500,000 to $750,000 and awarding agencies would be given the discretion to shorten or lengthen the current two-year Phase II period where appropriate for specific projects.

In addition, H.R. 1860 would require SBA to issue two new regulations. The first new regulation would prescribe a standard agreement, which participating agencies would be required to adopt, clarifying the property rights of small businesses and research institutions concerning intellectual property developed with the assistance of STTR grants. Concurrently, SBA would be required to modify existing policy directives to clarify that a small business retains rights to data it generates in STTR-funded projects for at least four years after that business completes participation in a phase of the award. The second new regulation would establish standards for evaluations for grants under the Federal and State Technology (FAST) Partnership program, including consideration of whether funding proposals address the needs of small businesses owned by women or minorities or areas that have historically not participated in the STTR and the SBIR programs. (The FAST Program provides grants to support State efforts to recruit and assist participants in the SBIR program.)

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Finally, the enrolled bill would require agencies to engage in outreach to research institutions and small businesses to enhance their STTR programs in conjunction with any similar outreach done for the SBIR Program.

Conclusion and Recommendations

SBA recommends approval in its views letter, stating that H.R. 1860 "will enable us to continue our efforts to strengthen the competitiveness of small businesses to participate in Federal research and development." SBA notes that, since the STTR program's inception in 1992, "Federal agencies have awarded more than $236 million [in grants under the STTR program] to small businesses."

We join SBA and NSF in recommending that you approve H.R. 1860, which passed the House by voice vote and the Senate by unanimous consent.

M E Daniels Jr

Mitchell E. Daniels, Jr.
Director

Enclosures

Courtney

SS/ RM NO. 494299

'01 OCT 8 AM9:48

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
HUGHES	☑	☐	JOHNSON	☑	☐
ROVE	☑	☐	LINDSEY	☑	☐
BOLTEN	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☑	MIERS	☐	☐
DANIELS	☑	☐	RICE	☐	☐
BLAKEMAN	☐	☐	CONNAUGHTON	☑	☐
CALIO	☑	☐	GERSON	☐	☐
FLEISCHER	☐	☑	CLERK	☐	☑
GONZALES	☑	☐		☐	☐
HAWKINS	☑	☐		☐	☐

REMARKS:
PLEASE SEND COMMENTS TO STAFF SECRETARY NO LATER THAN 2:00 PM MONDAY, 10-8-01. THANK YOU.

RESPONSE: No objection – CSB

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'01 OCT 5 PM 1:05

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001
Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

October 15, 2001 - Monday

Purpose

(1) Extends the authority for the Small Business Technology Transfer (STTR) Program by eight years, through fiscal year 2009; and (2) doubles the STTR program set-aside for major Federal agency external research budgets from 0.15 percent to 0.30 percent.

Agency Recommendations

Office of Management and Budget	Approval
Small Business Administration (SBA)	Approval
National Science Foundation (NSF)	Approval
Department of Justice	No objection (Informally)
Office of Science and Technology Policy (OSTP)	No objection (Informally)
Department of Defense	Defers to OSTP (Informally)
Department of Energy	Defers to SBA (Informally)
Department of Health and Human Services (HHS)	Defers to SBA (Informally)
Department of Commerce	No comment (Informally)
National Aeronautics and Space Administration (NASA)	No comment (Informally)

Discussion

The STTR program requires Federal agencies with annual external research or research and development budgets exceeding $1 billion to set aside 0.15 percent of those budgets for research projects performed jointly by small businesses and research institutions such as universities or Federally funded laboratories. Five agencies (the Departments of Defense, Energy, and HHS, NSF, and NASA) are currently covered by the program. These agencies are also covered by the larger Small Business Innovation Research (SBIR) program, under which agencies are required to set aside 2.5 percent of their research budgets for research performed by small businesses generally.

The STTR program is designed to promote collaboration between small firms and research institutions. To receive an award under the program, a research institution and a small firm must jointly submit a research proposal to an agency. Applicants whose proposals are accepted proceed through up to three phases. In Phase I, participants are awarded one-year grants of up to $100,000 to explore a concept's scientific, technical, and commercial potential. Participants with apparently meritorious concepts are permitted to proceed to Phase II, in which they receive a two-year grant of up to $500,000 to further develop the concept. In Phase III (for which participants cannot use STTR funds), participants work on commercializing their concepts and may also continue research and development.

The STTR program was established by law in 1992 as a pilot program, and was extended in 1996 and 1997. The most recent extension expired on September 30, 2001.

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Conclusion and Recommendations

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We join SBA and NSF in recommending that you approve H.R. 1860, which passed the House by voice vote and the Senate by unanimous consent.

M E Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

SS/ RM NO. 494299

WHITE HOUSE STAFFING MEMORANDUM

'01 OCT 8 AM11:37

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
HUGHES	☑	☐	JOHNSON	☑	☐
ROVE	☑	☐	LINDSEY	☑	☐
BOLTEN	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☑	MIERS	☐	☐
DANIELS	☑	☐	RICE	☐	☐
BLAKEMAN	☐	☐	CONNAUGHTON	☑	☐
CALIO	☑	☐	GERSON	☐	☐
FLEISCHER	☐	☑	CLERK	☐	☑
GONZALES	☑	☐	____________	☐	☐
HAWKINS	☑	☐	____________	☐	☐

REMARKS:

PLEASE SEND COMMENTS TO STAFF SECRETARY NO LATER THAN 2:00 PM MONDAY, 10-8-01. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

'01 OCT 5 PM11:06

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001
Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

October 15, 2001 - Monday

Purpose

(1) Extends the authority for the Small Business Technology Transfer (STTR) Program by eight years, through fiscal year 2009; and (2) doubles the STTR program set-aside for major Federal agency external research budgets from 0.15 percent to 0.30 percent.

Agency Recommendations

Office of Management and Budget	Approval
Small Business Administration (SBA)	Approval
National Science Foundation (NSF)	Approval
Department of Justice	No objection (Informally)
Office of Science and Technology Policy (OSTP)	No objection (Informally)
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Department of Energy	Defers to SBA (Informally)
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We join SBA and NSF in recommending that you approve H.R. 1860, which passed the House by voice vote and the Senate by unanimous consent.

M E Daniels Jr

Mitchell E. Daniels, Jr.
Director

Enclosures

SS/ RM NO. 494299

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM 01 OCT 8 PM 1:39

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	HUBBARD	✓	☐
CARD	✓	☐	IRASTORZA	☐	☐
HUGHES	✓	☐	JOHNSON	✓	☐
ROVE	✓	☐	LINDSEY	✓	☐
BOLTEN	✓	☐	SPELLINGS	✓	☐
HAGIN	☐	✓	MIERS	☐	☐
DANIELS	✓	☐	RICE	☐	☐
BLAKEMAN	☐	☐	CONNAUGHTON	✓	☐
CALIO	✓	☐	GERSON	☐	☐
FLEISCHER	☐	✓	CLERK	☐	✓
GONZALES	✓	☐	______	☐	☐
HAWKINS	✓	☐	______	☐	☐

REMARKS:

PLEASE SEND COMMENTS TO STAFF SECRETARY NO LATER THAN 2:00 PM MONDAY, 10-8-01. THANK YOU.

OK - EAW

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'01 OCT 5 PM 11:05

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001
Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

October 15, 2001 - Monday

Purpose

(1) Extends the authority for the Small Business Technology Transfer (STTR) Program by eight years, through fiscal year 2009; and (2) doubles the STTR program set-aside for major Federal agency external research budgets from 0.15 percent to 0.30 percent.

Agency Recommendations

Office of Management and Budget	Approval
Small Business Administration (SBA)	Approval
National Science Foundation (NSF)	Approval
Department of Justice	No objection (Informally)
Office of Science and Technology Policy (OSTP)	No objection (Informally)
Department of Defense	Defers to OSTP (Informally)
Department of Energy	Defers to SBA (Informally)
Department of Health and Human Services (HHS)	Defers to SBA (Informally)
Department of Commerce	No comment (Informally)
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Discussion

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We join SBA and NSF in recommending that you approve H.R. 1860, which passed the House by voice vote and the Senate by unanimous consent.

M E Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

OFFICE OF THE VICE PRESIDENT
WASHINGTON

'01 OCT 8 PM2:02

October 8, 2001

MEMORANDUM FOR HARRIET MIERS
STAFF SECRETARY

FROM: **JONATHAN BURKS**
DEPUTY STAFF SECRETARY TO THE VICE PRESIDENT

SUBJECT: **H.R. 1860, Small Business Technology Transfer Program Reauthorization Act of 2001**

The Office of the Vice President has reviewed the above-referenced draft and has no comments.

SS/ RM NO. 494299

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

'01 OCT 8 PM2:55

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
HUGHES	☑	☐	JOHNSON	☑	☐
ROVE	☑	☐	LINDSEY	☑	☐
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CALIO	☑	☐	GERSON	☐	☐
FLEISCHER	☐	☑	CLERK	☐	☑
GONZALES	☑	☐	______	☐	☐
HAWKINS	☑	☐	______	☐	☐

REMARKS:
PLEASE SEND COMMENTS TO STAFF SECRETARY NO LATER THAN 2:00 PM MONDAY, 10-8-01. THANK YOU.

RESPONSE:

Legislative Affairs (Howard) - ok

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'01 OCT 5 PM 11:06

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001
Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

October 15, 2001 - Monday

Purpose

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Mitchell E. Daniels, Jr.
Director

Enclosures

SS/ RM NO. 494299 SB

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
HUGHES	☑	☐	JOHNSON	☑	☐
ROVE	☑	☐	LINDSEY	☑	☐
BOLTEN	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☑	MIERS	☐	☐
DANIELS	☑	☐	RICE	☐	☐
BLAKEMAN	☐	☐	CONNAUGHTON	☑	☐
CALIO	☑	☐	GERSON	☐	☐
FLEISCHER	☐	☑	CLERK	☐	☑
GONZALES	☑	☐	______	☐	☐
HAWKINS	☑	☐	______	☐	☐

REMARKS:
PLEASE SEND COMMENTS TO STAFF SECRETARY NO LATER THAN 2:00 PM MONDAY, 10-8-01. THANK YOU.

Nlc Sub 10.8

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'01 OCT 5 PM 1:06

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001
Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

October 15, 2001 - Monday

Purpose

(1) Extends the authority for the Small Business Technology Transfer (STTR) Program by eight years, through fiscal year 2009; and (2) doubles the STTR program set-aside for major Federal agency external research budgets from 0.15 percent to 0.30 percent.

Agency Recommendations

Office of Management and Budget	Approval
Small Business Administration (SBA)	Approval
National Science Foundation (NSF)	Approval
Department of Justice	No objection (Informally)
Office of Science and Technology Policy (OSTP)	No objection (Informally)
Department of Defense	Defers to OSTP (Informally)
Department of Energy	Defers to SBA (Informally)
Department of Health and Human Services (HHS)	Defers to SBA (Informally)
Department of Commerce	No comment (Informally)
National Aeronautics and Space Administration (NASA)	No comment (Informally)

Discussion

The STTR program requires Federal agencies with annual external research or research and development budgets exceeding $1 billion to set aside 0.15 percent of those budgets for research projects performed jointly by small businesses and research institutions such as universities or Federally funded laboratories. Five agencies (the Departments of Defense, Energy, and HHS, NSF, and NASA) are currently covered by the program. These agencies are also covered by the larger Small Business Innovation Research (SBIR) program, under which agencies are required to set aside 2.5 percent of their research budgets for research performed by small businesses generally.

The STTR program is designed to promote collaboration between small firms and research institutions. To receive an award under the program, a research institution and a small firm must jointly submit a research proposal to an agency. Applicants whose proposals are accepted proceed through up to three phases. In Phase I, participants are awarded one-year grants of up to $100,000 to explore a concept's scientific, technical, and commercial potential. Participants with apparently meritorious concepts are permitted to proceed to Phase II, in which they receive a two-year grant of up to $500,000 to further develop the concept. In Phase III (for which participants cannot use STTR funds), participants work on commercializing their concepts and may also continue research and development.

The STTR program was established by law in 1992 as a pilot program, and was extended in 1996 and 1997. The most recent extension expired on September 30, 2001.

Provisions of H.R. 1860

The enrolled bill would extend the authorization for the STTR program through September 30, 2009, and would remove its statutory designation as a "pilot" program. H.R.1860 would also double the current 0.15 percent set-aside for the STTR program to 0.30 percent beginning in FY 2004. (In testimony before the House and Senate Small Business Committees, the Administration proposed that the STTR program be reauthorized for three years, with no increase to the current 0.15 percent set-aside rate.) Also beginning in FY 2004, the amount of Phase II grants would be increased from $500,000 to $750,000 and awarding agencies would be given the discretion to shorten or lengthen the current two-year Phase II period where appropriate for specific projects.

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Conclusion and Recommendations

SBA recommends approval in its views letter, stating that H.R. 1860 "will enable us to continue our efforts to strengthen the competitiveness of small businesses to participate in Federal research and development." SBA notes that, since the STTR program's inception in 1992, "Federal agencies have awarded more than $236 million [in grants under the STTR program] to small businesses."

We join SBA and NSF in recommending that you approve H.R. 1860, which passed the House by voice vote and the Senate by unanimous consent.

M E Daniels Jr

Mitchell E. Daniels, Jr.
Director

Enclosures

SS/ RM NO. 494299

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Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

01 OCT 9 AM 8:48

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	HUBBARD	✓	☐
CARD	✓	☐	IRASTORZA	☐	☐
HUGHES	✓	☐	JOHNSON	✓	☐
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Mitchell E. Daniels, Jr.
Director

Enclosures

(b)(6)

SS/ RM NO. 494299

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'01 OCT 9 PM6:22

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

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VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
HUGHES	☑	☐	JOHNSON	☑	☐
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OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'01 OCT 5 PM 11:06

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Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

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M E Daniels Jr

Mitchell E. Daniels, Jr.
Director

Enclosures

One Hundred Seventh Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Wednesday, the third day of January, two thousand and one

An Act

To reauthorize the Small Business Technology Transfer Program, 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 "Small Business Technology Transfer Program Reauthorization Act of 2001".

SEC. 2. EXTENSION OF PROGRAM AND EXPENDITURE AMOUNTS.

(a) IN GENERAL.—Section 9(n)(1) of the Small Business Act (15 U.S.C. 638(n)(1)) is amended to read as follows:

"(1) REQUIRED EXPENDITURE AMOUNTS.—

"(A) IN GENERAL.—With respect to each fiscal year through fiscal year 2009, each Federal agency that has an extramural budget for research, or research and development, in excess of $1,000,000,000 for that fiscal year, shall expend with small business concerns not less than the percentage of that extramural budget specified in subparagraph (B), specifically in connection with STTR programs that meet the requirements of this section and any policy directives and regulations issued under this section.

"(B) EXPENDITURE AMOUNTS.—The percentage of the extramural budget required to be expended by an agency in accordance with subparagraph (A) shall be—

"(i) 0.15 percent for each fiscal year through fiscal year 2003; and

"(ii) 0.3 percent for fiscal year 2004 and each fiscal year thereafter.".

(b) CONFORMING AMENDMENT.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended in subsections (b)(4) and (e)(6), by striking "pilot" each place it appears.

SEC. 3. INCREASE IN AUTHORIZED PHASE II AWARDS.

(a) IN GENERAL.—Section 9(p)(2)(B)(ix) of the Small Business Act (15 U.S.C. 638(p)(2)(B)(ix)) is amended—

(1) by striking "$500,000" and inserting "$750,000"; and

(2) by inserting before the semicolon at the end the following: ", and shorter or longer periods of time to be approved at the discretion of the awarding agency where appropriate for a particular project".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective beginning in fiscal year 2004.

"(I) owned and controlled by women;
"(II) owned and controlled by minorities; and
"(III) located in areas that have historically not participated in the SBIR and STTR programs.".

(b) REGULATIONS.—Section 34(c)(4) of the Small Business Act (15 U.S.C. 657d(c)(4)) is amended by adding at the end the following: "The Administrator shall promulgate regulations establishing standards for the consideration of proposals under paragraph (2), including standards regarding each of the considerations identified in paragraph (2)(B).".

Speaker of the House of Representatives.

~~Vice President of the United States and~~
President of the Senate pro tempore.

APPROVED
OCT 1 5 2001

'01 OCT 10 PM12:49

10/15

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

Route Slip

To: Carol Cleveland	Take necessary action	X
Staff Secretary's Office	Approval or signature	
Ground Floor/West Wing/WH	Comment	
	Prepare reply	
	Discuss with me	
	For your information	
	See remarks below	
From: Dianne Wells, LRD	Date: 10/09/01	

Remarks:

FOR YOUR RECORDS -- attached is the original SBA views letter on:

<u>Enrolled Bill H.R. 1860</u> - Small Business Technology Transfer Program Reauthorization Actof 2001

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

OCT - 4 2001

The Honorable Mitch Daniels
Director
Office of Management and Budget
Washington, DC 20503

Dear Mr. Daniels:

This is in response to your request for views of the U.S. Small Business Administration (SBA) on the enrolled bill, H.R. 1860, the "Small Business Technology Transfer Program Reauthorization Act of 2001."

The SBA supports the President signing this bill. The bill, among other things, authorizes the Small Business Technology Transfer (STTR) Program through fiscal year 2009, increases the Phase II award level to $750,000 and the percentage set-aside to 0.30 percent in fiscal year 2004 and each year thereafter. We believe this bill will enable us to continue our efforts to strengthen the competitiveness of small businesses to participate in Federal research and development.

The goal of the STTR Program is to link small businesses with creative ideas at universities, non-profit scientific and educational institutions, and Federal laboratories to advance technological innovation in Federal research and development programs. Through this collaboration, high quality research is made available in the American economy. Since the Program's authorization in 1992, and the issuance of the first awards in 1994, the Federal agencies have awarded more than $236 million to small businesses, with the research partners receiving more than $33 million of those funds.

SBA recommends that the President sign this bill.

Sincerely,

Hector V. Barreto

Hector V. Barreto
Administrator

Clerk FYI
494299

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

October 5, 2001 BILL IS HERE

MEMORANDUM FOR THE PRESIDENT

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WHITE HOUSE STAFFING MEMORANDUM

Date: 10-5-01 ACTION / CONCURRENCE / COMMENT DUE BY: 10-8-01, 2:00 PM

Subject: H.R. 1860, SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM REAUTHORIZATION ACT OF 2001

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
HUGHES	☑	☐	JOHNSON	☑	☐
ROVE	☑	☐	LINDSEY	☑	☐
BOLTEN	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☑	MIERS	☐	☐
DANIELS	☑	☐	RICE	☐	☐
BLAKEMAN	☐	☐	CONNAUGHTON	☑	☐
CALIO	☑	☐	GERSON	☐	☐
FLEISCHER	☐	☑	CLERK	☐	☑
GONZALES	☑	☐	______	☐	☐
HAWKINS	☑	☐	______	☐	☐

REMARKS:
PLEASE SEND COMMENTS TO STAFF SECRETARY NO LATER THAN 2:00 PM MONDAY, 10-8-01. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'01 OCT 5 PM 11:06

THE DIRECTOR

October 5, 2001

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1860 - Small Business Technology Transfer Program Reauthorization Act of 2001
Sponsor - Rep. Ehlers (R) Michigan and 3 cosponsors

Last Day for Action

October 15, 2001 - Monday

Purpose

(1) Extends the authority for the Small Business Technology Transfer (STTR) Program by eight years, through fiscal year 2009; and (2) doubles the STTR program set-aside for major Federal agency external research budgets from 0.15 percent to 0.30 percent.

Agency Recommendations

Office of Management and Budget	Approval
Small Business Administration (SBA)	Approval
National Science Foundation (NSF)	Approval
Department of Justice	No objection (Informally)
Office of Science and Technology Policy (OSTP)	No objection (Informally)
Department of Defense	Defers to OSTP (Informally)
Department of Energy	Defers to SBA (Informally)
Department of Health and Human Services (HHS)	Defers to SBA (Informally)
Department of Commerce	No comment (Informally)
National Aeronautics and Space Administration (NASA)	No comment (Informally)

Discussion

The STTR program requires Federal agencies with annual external research or research and development budgets exceeding $1 billion to set aside 0.15 percent of those budgets for research projects performed jointly by small businesses and research institutions such as universities or Federally funded laboratories. Five agencies (the Departments of Defense, Energy, and HHS, NSF, and NASA) are currently covered by the program. These agencies are also covered by the larger Small Business Innovation Research (SBIR) program, under which agencies are required to set aside 2.5 percent of their research budgets for research performed by small businesses generally.

The STTR program is designed to promote collaboration between small firms and research institutions. To receive an award under the program, a research institution and a small firm must jointly submit a research proposal to an agency. Applicants whose proposals are accepted proceed through up to three phases. In Phase I, participants are awarded one-year grants of up to $100,000 to explore a concept's scientific, technical, and commercial potential. Participants with apparently meritorious concepts are permitted to proceed to Phase II, in which they receive a two-year grant of up to $500,000 to further develop the concept. In Phase III (for which participants cannot use STTR funds), participants work on commercializing their concepts and may also continue research and development.

The STTR program was established by law in 1992 as a pilot program, and was extended in 1996 and 1997. The most recent extension expired on September 30, 2001.

Provisions of H.R. 1860

The enrolled bill would extend the authorization for the STTR program through September 30, 2009, and would remove its statutory designation as a "pilot" program. H.R.1860 would also double the current 0.15 percent set-aside for the STTR program to 0.30 percent beginning in FY 2004. (In testimony before the House and Senate Small Business Committees, the Administration proposed that the STTR program be reauthorized for three years, with no increase to the current 0.15 percent set-aside rate.) Also beginning in FY 2004, the amount of Phase II grants would be increased from $500,000 to $750,000 and awarding agencies would be given the discretion to shorten or lengthen the current two-year Phase II period where appropriate for specific projects.

In addition, H.R. 1860 would require SBA to issue two new regulations. The first new regulation would prescribe a standard agreement, which participating agencies would be required to adopt, clarifying the property rights of small businesses and research institutions concerning intellectual property developed with the assistance of STTR grants. Concurrently, SBA would be required to modify existing policy directives to clarify that a small business retains rights to data it generates in STTR-funded projects for at least four years after that business completes participation in a phase of the award. The second new regulation would establish standards for evaluations for grants under the Federal and State Technology (FAST) Partnership program, including consideration of whether funding proposals address the needs of small businesses owned by women or minorities or areas that have historically not participated in the STTR and the SBIR programs. (The FAST Program provides grants to support State efforts to recruit and assist participants in the SBIR program.)

The enrolled bill would also require SBA to collect and maintain information necessary to assess the STTR Program. In addition, the enrolled bill would require SBA to maintain an electronic public database of information about the STTR Program similar to the database maintained for the SBIR Program. SBA would have to include in the database, with respect to any individual project receiving STTR assistance, information on: (1) whether the small

business or the research institution initiated the collaboration; (2) whether the small business or the research institution originated the technology; (3) the length of time it took to negotiate a licensing agreement between the small business and the research institution; and (4) how the proceeds from the commercialization, marketing, or sale of technology were allocated between the small business and the research institution.

Finally, the enrolled bill would require agencies to engage in outreach to research institutions and small businesses to enhance their STTR programs in conjunction with any similar outreach done for the SBIR Program.

Conclusion and Recommendations

SBA recommends approval in its views letter, stating that H.R. 1860 "will enable us to continue our efforts to strengthen the competitiveness of small businesses to participate in Federal research and development." SBA notes that, since the STTR program's inception in 1992, "Federal agencies have awarded more than $236 million [in grants under the STTR program] to small businesses."

We join SBA and NSF in recommending that you approve H.R. 1860, which passed the House by voice vote and the Senate by unanimous consent.

M E Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures