CONGRESSIONAL RECORD—SENATE

17017

PROVIDING FOR THE APPOINTMENT OF ROGER W. SANT AS A CITIZEN REGENT OF THE SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 20), providing for the appointment of Roger W. Sant as a citizen regent of the Board of Regents of the Smithsonian Institution, which had been reported from the Committee on Rules and Administration, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S.J. Res. 20

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 5961 of the Revised Statutes of the United States (20 U.S.C. 43), the vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, occasioned by the resignation of Howard H. Baker, Jr., of Washington, D.C., is filled by the appointment of Roger W. Sant of Washington, D.C. The appointment is for a term of 6 years and shall take effect on the date of enactment of this joint resolution.

AMENDING THE IMMIGRATION AND NATIONALITY ACT

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1424, introduced earlier today by Senator KENNEDY.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1424) to amend the Immigration and Nationality Act to provide permanent authority for the admission of “S” visa non-immigrants.

There being no objection, the Senate proceeded to the consideration of the bill.

Mr. LEAHY. Mr. President, in this time of tragedy, there are a few things Congress can do to provide immediate assistance. Passage of this legislation is one of them.

This bill restores the “S” visa, which Congress created as part of the 1994 Violent Crime Control Act. The visa allows foreign nationals with critical information about criminal cases, especially events of terrorism, to remain in the United States legally for the purpose of cooperating with law enforcement. An application for the visa must be made by a Federal, State, or local law enforcement agency or by a court.

The provision authorizing the “S” visa expired yesterday, so without this legislation law enforcement will be unable to take advantage of it. The State and Justice Departments have requested that we reinstitute the “S” visa. I urge the Senate to grant this request and to give law enforcement the support it needs in this area.

This is a limited program, but it serves an important purpose. The number of “S” visas granted in a year is limited to 200 for those providing information about crimes and an additional 50 specifically devoted to those who can provide information about terrorism. Our law enforcement officials face a terrible responsibility in seeking out the perpetrators of these evil acts. I am pleased to co-sponsor this legislation, and hope that it helps in this search.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1424) was read the third time and passed.

(End of S. 1424 is printed in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM AUTHORIZATION ACT OF 2001

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 142, S. 856.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 856) to reauthorize the Small Business Technology Transfer Program, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 1569

Mr. REID. Mr. President, I understand Senators KERRY and BOND have a substitute amendment at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

A bill (S. 856) to reauthorize the Small Business Technology Transfer Program, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

SEC. 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(a)(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 any phase (as described in subsection (o)(2)), in any fiscal year shall expend with small business concerns not less than the percentage of that extramural budget specified in subparagraph (B).

“(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.

(c) Increase in Authorized Phase II Awards.


(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...”

(2) 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.”

(3) Policy Directive Modifications.

Section 9(k) of the Small Business Act (15 U.S.C. 638(k)) 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” and inserting “or” at the end;

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

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

(3) 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;
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There are three phases of the program. Phase I is a one-year grant for $100,000, and its purpose is to determine the scientific and commercial merits of an idea. Phase II is a grant for $500,000, and its purpose is to further develop the idea. Phase III is used to pursue commercial applications of the idea and cannot be funded with STTR funds. Only private-sector and non-STTR Federal funds may be used in Phase III.

At the Committee on Small Business and Entrepreneurship hearing on S. 856 we heard from Dr. Anthony N. Pirri, Vice President and Chief Technology Officer of Cambridge Research and Instrumentation in Woburn, Mass.; Dr. Burns Szabo, Founder and Chairman of Engineering Software Research and Development Inc. in St. Louis, Mo.; Mr. Kirk Ririe, President and CEO of Idaho Technology, Inc. in Salt Lake City, Utah; Mr. Maurice Swinton, Assistant Administrator for Technology at the Small Business Administration; and Mr. Jim Wells, Director of Natural Resources and Environment at the General Accounting Office.

There was consensus that the program is meeting its objectives, should be continued, and the Phase II award amount should be increased. Examples were given of technological advances which improved industries, grew businesses, created jobs and, of course, returned the Federal government's investment. One comment, in particular, from Mr. Kirk Ririe of Idaho Technology Inc., which started modestly in a potato shed and now has locations in Utah and Idaho, highlights the power of the STTR program:

We were a tiny company—six people working with the university group. We were able to, within two years, launch (with about $100,000 in funding) a product that basically returned to the government in taxes than we received over $100 million in sales... The GAO figures may not [reflect this, but] I guarantee that we have paid a lot more money back to the government in taxes than we received in any of the funding... The program has been absolutely crucial to us. If we had not had this program, we would still be in the potato shed... At the request of the Chairman and Ranking member of the Committee, GAO surveyed all companies which had received Phase II awards from 1995 to 1997. GAO chose these years because they were the first years of the program and it generally takes three to nine years for a company to progress from basic research to commercialization of a developed product. Though this program is still relatively young, the survey results indicate it is working effectively. Of the 102 companies participating in the survey, 33.5 percent had either commercialized the technology or received follow-on funding for the technology.
These companies had approximately $132 million in sales and $53 million in additional funding. These STTR winners expect additional sales of more than $90 million dollars by 2005. Putting this into perspective, the Government’s total awards to these companies were less than $50 million, less than half of the sales to date and about five percent of the expected sales by 2005. While the STTR program has been successful, the Congress has supported this program for nine years, the Manager’s amendment reduces this to eight years. This was done in order to reach consensus promptly and enable the bill to pass both houses—before the expiration date of the program.

In FY2004 and thereafter the bill increases from .15 to .3 percent of Federal extramural research and development funds going to this program. Recently the program was made $50 million annually. The goals of that amount, increasing the percentage to .3 percent would make $130 million available annually for small business technology transfer. The Committee originally reported language that would have increased the percentage to 5 percent in 2007. In order to reach consensus, we agreed to delete the final incremental increase from the bill until we have more experience and information.

The bill also raises the Phase II grant award amount from $500,000 to $750,000. This change was intended to address concerns by the small businesses and the research institutions that $500,000 typically is no longer enough for this stage of research and development. As Dr. Pirri of Northeastern said at the hearing, “By expanding the STTR program, funding levels will become more adequate to take technologies through the prototype stage and increase their probability of commercial success.” Raising Phase II awards to $750,000 makes them consistent with the Small Business Innovation Research (SBIR) program’s Phase II awards.

GAO reported that only about 250 universities have participated in the program so far. The Committee believes, and GAO concurs, that there is tremendous potential to involve more universities in partnering with small businesses to convert research into new technology for small firms. One of the goals of the STTR program is to create economic development around universities, Federal laboratories and non-profit research institutions across the country are attempting to duplicate the successful SBIR experience.

S. 856 also strengthens the data rights protection for companies and research institutions that conduct STTR projects. The change in data rights is important because of the nature of STTR. Many STTR companies, like SBIR companies, retain the data rights to their technology through all phases of a STTR project. Unfortunately some agencies have been interpreting the law to mean that STTR companies only retain their data rights through Phases I and II.

This clarification helps protect STTR companies from losing control of their research so that they have a greater chance of commercializing their technology themselves. This clarification is important because the Committee has learned some agencies are providing the data to bigger contractors for development, thereby cutting out the small business. This unfortunate situation not only robs small businesses of revenues, but it also results in expensive legal costs for small businesses to protect their data rights.

As last year’s legislation did for the SBIR program, this bill strengthens the data collection requirements regarding awards and the data rights for companies and research institutions that conduct STTR projects. The goal is to collect better information about the companies doing the projects, as well as the research and development, so we can measure success and track technologies. The Manager’s amendment expands the reporting requirements to include reporting on HUBZones small businesses under the SBIR and STTR programs. The amendment also requires the SBA and the agencies to develop a model agreement for intellectual property rights. Finally, the Manager’s amendment includes a provision that requires SBA, when considering proposals under the recently enacted Federal and State Technology Partnership Program (FAST), to consider whether the proposals address the needs of small business concerns: (I) owned and controlled by women; (II) owned and controlled by minorities; and (III) concerns located in areas that have historically not participated in the SBIR and STTR Programs.

This bill will ensure that this successful program is continued and expanded. It will also provide Congress with important information and data on the program and encourage more outreach to small businesses and research institutions.

Mr. President, I urge my colleagues to learn about this program, to find out the benefits to their state’s hi-tech small business, research universities and labs, and to join me in passing this legislation in the Senate. To Senator BOND, I want to thank you and your staff for working with me and my staff to build this country’s technological progress. I especially want to thank one member of Senator BOND’s staff, David Bohley. Dave has worked tirelessly and effectively for the technology and small business community. He is leaving the Committee, and we will all miss working with him. I wish him well in his new job at the Federal National Mortgage Association (FNMA). I also want to thank all of the Committee staff that has worked on this legislation and for helping small business. All 19 members of the Committee voted for and supported this legislation.

Mr. President, I urge the Senate to pass S. 856, as amended.

Mr. BOND. Mr. President, I rise to lend my strong support to S. 856, the Small Business Technology Transfer Program Reauthorization Act of 2001. The Committee on Small Business and Entrepreneurship has closely reviewed the STTR program this year and found the STTR program to be highly successful. This important bill acknowledges that success by expanding the program.

This bill, like most bills considered by the Small Business and Entrepreneurship Committee, was crafted in a bipartisan manner and approved by a unanimous vote. I would like to thank Senator KERRY, and chairman of the committee, for his leadership and cooperation in this effort. I am pleased to have worked closely with him on this bill, and I trust our colleagues will overwhelmingly support this legislation.

The STTR Program was created in 1992 to stimulate technology transfer from research institutions to small firms while, at the same time, accomplishing the Federal government's research and development goals. The program is designed to convert the billions of dollars invested in research and development at our nation's universities, Federal laboratories and nonprofit research institutions into commercial technologies. It does this by joining the ideas and resources of research institutions with the commercialization experience of small companies.

To receive an award under the STTR Program, a research institution and a small firm jointly submit a proposal to conduct research on a topic that reflects an agency's mission and research and development needs. The proposals are then peer-reviewed and judged on their scientific, technical and commercial merit.

Numerous benefits result from the Federal government fostering collaborations between research institutions and small firms. Small firms have shown themselves to be excellent at commercializing research when they are provided the opportunity to take advantage of the expertise and resources that reside in our nation's universities.
research and development by large and small firms both with and without university partners. When these firms do not have university partners, their rate of return is 14 percent. When a collaboration is formed between universities and small firms, however, the rate of return jumps to 44 percent. By contrast, the rate of return only increases to 30 percent when large firms and universities collaborate.

Moreover, partnerships between small firms and universities have led to world-class high-technology economic development. Numerous studies cite the emergence of Silicon Valley and the Route 128 corridor in Massachusetts as directly resulting from the partnerships and technology transfer that occurred, and are still occurring, among small firms, Stanford University and the Massachusetts Institute of Technology. The cooperation between industry and these universities has strengthened considerably our economic competitiveness in the world.

The STTR Program seeks to foster this same type of economic development in the hundreds of communities around the country that contain universities and federal laboratories. Further, the STTR Program has proven to be immensely successful at growing small firms from these types of partnerships. In a Committee hearing this year on the STTR Program, the General Accounting Office (GAO) reported on the commercial success of small firms participating in the STTR program between 1995 and 1997. The GAO’s findings are truly remarkable. Of the 102 projects surveyed in that time-frame, 53 percent had either resulted in sales or follow-on developmental funding for the technology. Through 2000, these projects had resulted in $132 million from sales and $53 million in additional developmental funding. Moreover, the GAO reported that the companies that received the STTR awards are projecting an additional $186 million in sales in 2001 and an estimated additional $900 million in sales by 2005. These numbers are even more outstanding since they take into account the fact that these were single projects, and it typically takes 7 to 10 years to commercialize new technologies successfully.

In addition to proving to be an amazing commercial success, the STTR Program has also provided high-quality research to the Federal government. The GAO has reported in the past that Federal agencies give high ratings to the technical quality of STTR research proposals. The Department of Energy, for example, rated the quality of the proposed research in the top ten percent of all research funded by the Department.

A good example of the benefits that the STTR Program provides to small firms is the experience of Engineering Software Research and Development, Inc. in St. Louis, Missouri. The chairman and founder of that company, Dr. Barna Szaboé, testified on the STTR program before the Committee in July of this year. Engineering Software, in partnership with Washington University in St. Louis, received a phase two award from the Air Force to develop an innovative method of analyzing the stresses placed on composite materials. While this technology is currently focused in the aeronautics industry, it has many other practical applications.

The STTR Program permitted Dr. Szaboé, who had originated an algorithm he developed at Washington University, to transfer the technology to Engineering Software, which had the software infrastructure to transition the technology from an academic to a practical commercial application. According to Dr. Szaboé, Engineering Software has received an estimated $1.35 million in sales and follow-on development funding resulting from the technology funded by the STTR award and that the STTR Program was of great assistance in transferring the technology from an academic environment to actual use and application.

Based on the proven success of the STTR Program to date this legislation increases the funds allocated for the program from 15 percent to 3 percent of an agency’s extramural research and development budget. This increase will not require any additional appropriations but merely will reallocate funds in the participating agencies to this successful program. I thank Senator LEVIN and Senator WARNER on the Armed Services Committee for working closely with Senator KERRY and me to make such an increase possible. When a program is working as well as the STTR Program, it would be a mistake if Congress did not build on its success.

This is especially true for Federal investment in small business research and development. Despite report after report demonstrating that small businesses innovate at a greater rate than large firms, small businesses receive less than four percent of all Federal research and development dollars. This number has remained essentially unchanged for the past 22 years. Increasing funds for the STTR Program sends a strong message that the Federal government acknowledges the contributions that small businesses have made and will continue to make to government research and development efforts and to our nation’s economy.

Mr. President, Senator KERRY and I have worked together to produce a sound, bipartisan bill. This legislation is focused on small business in the high-technology community and will ensure that our Federal research and development needs are well met in the next decade. I trust that the bill will receive the overwhelming support of my colleagues.

Mr. REID. Mr. President, I ask unanimous consent that the substitute amendment be agreed to, the bill, as amended, be considered read a third time and passed, the motion to reconsider be laid upon the table, and that a record of votes relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1569) was agreed to.

The bill (S. 856), as amended, was read the third time and passed.

PROVIDING FOR THE EXPEDITED PAYMENT OF CERTAIN BENEFITS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 2882, just received from the House.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2882) to provide for the expedited payment of certain benefits for a public safety officer who was killed or suffered a catastrophic injury as a direct and proximate result of a personal injury sustained in the line of duty in connection with the terrorist attacks of September 11, 2001.

There being no objection, the Senate proceeded to consider the bill.

Mr. LEAHY. Mr. President, I commend the Senators from New York for their leadership on this legislation to streamline the Public Safety Officers’ Benefits application process so that the family members of fire fighters, emergency medical technicians and rescue workers who perished or suffered great injury in the aftermath of the tragic terrorist events of this week. I am proud to be an original cosponsor of S.1422. I applaud Congressman NADLER and Congressman SENENSENBRUNNER for their work on H.R. 2882, which we are passing today.

Earlier today, I received a call from Congressman SENENSENBRUNNER, Chairman of the House Judiciary Committee, who asked me if the Senate would consider and pass H.R. 2882 without delay. I thank our leaders, Senator DASCHEL and Senator LOT, for bringing this legislation before the Senate so quickly, and urge the Senate to support it.

We have before us a unique opportunity to provide much-needed relief for the families of the brave men and women who sacrificed their own lives for their fellow Americans. Senator CLINTON and a number of other members of the Senate and House have proposed this bill to amend the Public Safety Officers’ Benefits Act of 1976 so that the families of officers who were killed in the line of duty in New York City, Washington, D.C., and Western Pennsylvania, on September 11.

The Public Safety Officers’ Benefits Program provides $150,000 in benefits...