

- (A) \$4,000,000 for fiscal year 2001;
- (B) \$4,000,000 for fiscal year 2002;
- (C) \$2,000,000 for fiscal year 2003; and
- (D) \$2,000,000 for fiscal year 2004.

(2) Matching requirement

(A) Fiscal year 2002

The amount made available to the Corporation for fiscal year 2002 may not exceed twice the amount that the Corporation certifies that it will provide for that fiscal year from sources other than the Federal Government.

(B) Subsequent fiscal years

The amount made available to the Corporation for fiscal year 2003 or 2004 may not exceed the amount that the Corporation certifies that it will provide for that fiscal year from sources other than the Federal Government.

(3) Privatization

The Corporation shall institute and implement a plan to raise private funds and become a self-sustaining corporation.

(Pub. L. 85-536, §2[33], as added Pub. L. 106-50, title II, §202(a), Aug. 17, 1999, 113 Stat. 236; amended Pub. L. 106-554, §1(a)(9) [title VIII, §808], Dec. 21, 2000, 114 Stat. 2763, 2763A-706.)

REFERENCES IN TEXT

Section 203 of this Act, referred to in subsec. (h), probably means section 203 of Pub. L. 106-50, title II, Aug. 17, 1999, 113 Stat. 239, which is set out as a note under section 657b of this title.

CODIFICATION

August 17, 1999, referred to in subsec. (c)(4), was in the original “the date of enactment of this Act”, which was translated as meaning the date of enactment of Pub. L. 106-50, which enacted this section, to reflect the probable intent of Congress.

AMENDMENTS

2000—Subsec. (k)(1). Pub. L. 106-554, §1(a)(9) [title VIII, §808(1)], added par. (1) and struck out heading and text of former par. (1). Text read as follows: “Subject to paragraph (2), there are authorized to be appropriated to the Corporation to carry out this section—

- “(A) \$2,000,000 for fiscal year 2000;
- “(B) \$4,000,000 for fiscal year 2001;
- “(C) \$4,000,000 for fiscal year 2002; and
- “(D) \$2,000,000 for fiscal year 2003.”

Subsec. (k)(2)(A). Pub. L. 106-554, §1(a)(9) [title VIII, §808(2)], substituted “2002” for “2001” in heading and text.

Subsec. (k)(2)(B). Pub. L. 106-554, §1(a)(9) [title VIII, §808(3)], substituted “2003 or 2004” for “2002 or 2003”.

GENERAL ACCOUNTING OFFICE REPORT

Pub. L. 106-50, title II, §202(b), Aug. 17, 1999, 113 Stat. 239, provided that: “Not later than 180 days after the last day of the second fiscal year beginning after the date on which the initial members of the Board of Directors of the National Veterans Business Development Corporation are appointed under section 33(c) of the Small Business Act [15 U.S.C. 657c(c)] (as added by this section), the Comptroller General of the United States shall evaluate the effectiveness of the National Veterans Business Development Corporation in carrying out the purposes under section 33(b) of the Small Business Act (as added by this section), and submit to Congress a report on the results of that evaluation.”

§ 657d. Federal and State Technology Partnership Program

(a) Definitions

In this section and section 657e of this title, the following definitions apply:

(1) Applicant

The term “applicant” means an entity, organization, or individual that submits a proposal for an award or a cooperative agreement under this section.

(2) Business advice and counseling

The term “business advice and counseling” means providing advice and assistance on matters described in section 657e(c)(2)(B) of this title to small business concerns to guide them through the SBIR and STTR program process, from application to award and successful completion of each phase of the program.

(3) FAST program

The term “FAST program” means the Federal and State Technology Partnership Program established under this section.

(4) Mentor

The term “mentor” means an individual described in section 657e(c)(2) of this title.

(5) Mentoring Network

The term “Mentoring Network” means an association, organization, coalition, or other entity (including an individual) that meets the requirements of section 657e(c) of this title.

(6) Recipient

The term “recipient” means a person that receives an award or becomes party to a cooperative agreement under this section.

(7) SBIR program

The term “SBIR program” has the same meaning as in section 638(e)(4) of this title.

(8) State

The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(9) STTR program

The term “STTR program” has the same meaning as in section 638(e)(6) of this title.

(b) Establishment of Program

The Administrator shall establish a program to be known as the Federal and State Technology Partnership Program, the purpose of which shall be to strengthen the technological competitiveness of small business concerns in the States.

(c) Grants and cooperative agreements

(1) Joint review

In carrying out the FAST program under this section, the Administrator and the SBIR program managers at the National Science Foundation and the Department of Defense shall jointly review proposals submitted by applicants and may make awards or enter into cooperative agreements under this section based on the factors for consideration set forth

in paragraph (2), in order to enhance or develop in a State—

(A) technology research and development by small business concerns;

(B) technology transfer from university research to technology-based small business concerns;

(C) technology deployment and diffusion benefiting small business concerns;

(D) the technological capabilities of small business concerns through the establishment or operation of consortia comprised of entities, organizations, or individuals, including—

(i) State and local development agencies and entities;

(ii) representatives of technology-based small business concerns;

(iii) industries and emerging companies;

(iv) universities; and

(v) small business development centers; and

(E) outreach, financial support, and technical assistance to technology-based small business concerns participating in or interested in participating in an SBIR program, including initiatives—

(i) to make grants or loans to companies to pay a portion or all of the cost of developing SBIR proposals;

(ii) to establish or operate a Mentoring Network within the FAST program to provide business advice and counseling that will assist small business concerns that have been identified by FAST program participants, program managers of participating SBIR agencies, the Administration, or other entities that are knowledgeable about the SBIR and STTR programs as good candidates for the SBIR and STTR programs, and that would benefit from mentoring, in accordance with section 657e of this title;

(iii) to create or participate in a training program for individuals providing SBIR outreach and assistance at the State and local levels; and

(iv) to encourage the commercialization of technology developed through SBIR program funding.

(2) Selection considerations

In making awards or entering into cooperative agreements under this section, the Administrator and the SBIR program managers referred to in paragraph (1)—

(A) may only consider proposals by applicants that intend to use a portion of the Federal assistance provided under this section to provide outreach, financial support, or technical assistance to technology-based small business concerns participating in or interested in participating in the SBIR program; and

(B) shall consider, at a minimum—

(i) whether the applicant has demonstrated that the assistance to be provided would address unmet needs of small business concerns in the community, and whether it is important to use Federal funding for the proposed activities;

(ii) whether the applicant has demonstrated that a need exists to increase the number or success of small high-technology businesses in the State, as measured by the number of first phase and second phase SBIR awards that have historically been received by small business concerns in the State;

(iii) whether the projected costs of the proposed activities are reasonable;

(iv) whether the proposal integrates and coordinates the proposed activities with other State and local programs assisting small high-technology firms in the State; and

(v) the manner in which the applicant will measure the results of the activities to be conducted.

(3) Proposal limit

Not more than one proposal may be submitted for inclusion in the FAST program under this section to provide services in any one State in any 1 fiscal year.

(4) Process

Proposals and applications for assistance under this section shall be in such form and subject to such procedures as the Administrator shall establish.

(d) Cooperation and coordination

In carrying out the FAST program under this section, the Administrator shall cooperate and coordinate with—

(1) Federal agencies required by section 638 of this title to have an SBIR program; and

(2) entities, organizations, and individuals actively engaged in enhancing or developing the technological capabilities of small business concerns, including—

(A) State and local development agencies and entities;

(B) State committees established under the Experimental Program to Stimulate Competitive Research of the National Science Foundation (as established under section 1862g of title 42);

(C) State science and technology councils; and

(D) representatives of technology-based small business concerns.

(e) Administrative requirements

(1) Competitive basis

Awards and cooperative agreements under this section shall be made or entered into, as applicable, on a competitive basis.

(2) Matching requirements

(A) In general

The non-Federal share of the cost of an activity (other than a planning activity) carried out using an award or under a cooperative agreement under this section shall be—

(i) 50 cents for each Federal dollar, in the case of a recipient that will serve small business concerns located in one of the 18 States receiving the fewest SBIR first phase awards (as described in section 638(e)(4)(A) of this title);

(ii) except as provided in subparagraph (B), 1 dollar for each Federal dollar, in the

case of a recipient that will serve small business concerns located in one of the 16 States receiving the greatest number of such SBIR first phase awards; and

(iii) except as provided in subparagraph (B), 75 cents for each Federal dollar, in the case of a recipient that will serve small business concerns located in a State that is not described in clause (i) or (ii) that is receiving such SBIR first phase awards.

(B) Low-income areas

The non-Federal share of the cost of the activity carried out using an award or under a cooperative agreement under this section shall be 50 cents for each Federal dollar that will be directly allocated by a recipient described in subparagraph (A) to serve small business concerns located in a qualified census tract, as that term is defined in section 42(d)(5)(C)(ii) of title 26. Federal dollars not so allocated by that recipient shall be subject to the matching requirements of subparagraph (A).

(C) Types of funding

The non-Federal share of the cost of an activity carried out by a recipient shall be comprised of not less than 50 percent cash and not more than 50 percent of indirect costs and in-kind contributions, except that no such costs or contributions may be derived from funds from any other Federal program.

(D) Rankings

For purposes of subparagraph (A), the Administrator shall reevaluate the ranking of a State once every 2 fiscal years, beginning with fiscal year 2001, based on the most recent statistics compiled by the Administrator.

(3) Duration

Awards may be made or cooperative agreements entered into under this section for multiple years, not to exceed 5 years in total.

(f) Reports

(1) Initial report

Not later than 120 days after December 21, 2000, the Administrator shall prepare and submit to the Committee on Small Business of the Senate and the Committee on Science and the Committee on Small Business of the House of Representatives a report, which shall include, with respect to the FAST program, including Mentoring Networks—

(A) a description of the structure and procedures of the program;

(B) a management plan for the program; and

(C) a description of the merit-based review process to be used in the program.

(2) Annual reports

The Administrator shall submit an annual report to the Committee on Small Business of the Senate and the Committee on Science and the Committee on Small Business of the House of Representatives regarding—

(A) the number and amount of awards provided and cooperative agreements entered

into under the FAST program during the preceding year;

(B) a list of recipients under this section, including their location and the activities being performed with the awards made or under the cooperative agreements entered into; and

(C) the Mentoring Networks and the mentoring database, as provided for under section 657e of this title, including—

(i) the status of the inclusion of mentoring information in the database required by section 638(k) of this title; and

(ii) the status of the implementation and description of the usage of the Mentoring Networks.

(g) Reviews by Inspector General

(1) In general

The Inspector General of the Administration shall conduct a review of—

(A) the extent to which recipients under the FAST program are measuring the performance of the activities being conducted and the results of such measurements; and

(B) the overall management and effectiveness of the FAST program.

(2) Report

During the first quarter of fiscal year 2004, the Inspector General of the Administration shall submit a report to the Committee on Small Business of the Senate and the Committee on Science and the Committee on Small Business of the House of Representatives on the review conducted under paragraph (1).

(h) Program levels

(1) In general

There is authorized to be appropriated to carry out the FAST program, including Mentoring Networks, under this section and section 657e of this title, \$10,000,000 for each of fiscal years 2001 through 2005.

(2) Mentoring database

Of the total amount made available under paragraph (1) for fiscal years 2001 through 2005, a reasonable amount, not to exceed a total of \$500,000, may be used by the Administration to carry out section 657e(d) of this title.

(i) Termination

The authority to carry out the FAST program under this section shall terminate on September 30, 2005.

(Pub. L. 85-536, §2[34], as added Pub. L. 106-554, §1(a)(9) [title I, §111(b)(2)], Dec. 21, 2000, 114 Stat. 2763, 2763A-674.)

PRIOR PROVISIONS

A prior section 2[34] of Pub. L. 85-536 was renumbered section 2[36] and is set out as a note under section 631 of this title.

FINDINGS

Pub. L. 106-554, §1(a)(9) [title I, §111(a)], Dec. 21, 2000, 114 Stat. 2763, 2763A-674, provided that: “Congress finds that—

“(1) programs to foster economic development among small high-technology firms vary widely among the States;

“(2) States that do not aggressively support the development of small high-technology firms, including

participation by small business concerns in the SBIR program, are at a competitive disadvantage in establishing a business climate that is conducive to technology development; and

“(3) building stronger national, State, and local support for science and technology research in these disadvantaged States will expand economic opportunities in the United States, create jobs, and increase the competitiveness of the United States in the world market.”

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 657e of this title.

§ 657e. Mentoring Networks

(a) Findings

Congress finds that—

(1) the SBIR and STTR programs create jobs, increase capacity for technological innovation, and boost international competitiveness;

(2) increasing the quantity of applications from all States to the SBIR and STTR programs would enhance competition for such awards and the quality of the completed projects; and

(3) mentoring is a natural complement to the FAST program of reaching out to new companies regarding the SBIR and STTR programs as an effective and low-cost way to improve the likelihood that such companies will succeed in such programs in developing and commercializing their research.

(b) Authorization for Mentoring Networks

The recipient of an award or participant in a cooperative agreement under section 657d of this title may use a reasonable amount of such assistance for the establishment of a Mentoring Network under this section.

(c) Criteria for Mentoring Networks

A Mentoring Network established using assistance under section 657d of this title shall—

(1) provide business advice and counseling to high technology small business concerns located in the State or region served by the Mentoring Network and identified under section 657d(c)(1)(E)(ii) of this title as potential candidates for the SBIR or STTR programs;

(2) identify volunteer mentors who—

(A) are persons associated with a small business concern that has successfully completed one or more SBIR or STTR funding agreements; and

(B) have agreed to guide small business concerns through all stages of the SBIR or STTR program process, including providing assistance relating to—

- (i) proposal writing;
- (ii) marketing;
- (iii) Government accounting;
- (iv) Government audits;
- (v) project facilities and equipment;
- (vi) human resources;
- (vii) third phase partners;
- (viii) commercialization;
- (ix) venture capital networking; and
- (x) other matters relevant to the SBIR and STTR programs;

(3) have experience working with small business concerns participating in the SBIR and STTR programs;

(4) contribute information to the national database referred to in subsection (d) of this section; and

(5) agree to reimburse volunteer mentors for out-of-pocket expenses related to service as a mentor under this section.

(d) Mentoring database

The Administrator shall—

(1) include in the database required by section 638(k)(1) of this title, in cooperation with the SBIR, STTR, and FAST programs, information on Mentoring Networks and mentors participating under this section, including a description of their areas of expertise;

(2) work cooperatively with Mentoring Networks to maintain and update the database;

(3) take such action as may be necessary to aggressively promote Mentoring Networks under this section; and

(4) fulfill the requirements of this subsection either directly or by contract.

(Pub. L. 85-536, §2[35], as added Pub. L. 106-554, §1(a)(9) [title I, §112], Dec. 21, 2000, 114 Stat. 2763, 2763A-680.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 638, 657d of this title.

CHAPTER 14B—SMALL BUSINESS INVESTMENT PROGRAM

SUBCHAPTER I—GENERAL PROVISIONS

Sec.

661. Congressional declaration of policy.

662. Definitions.

SUBCHAPTER II—SMALL BUSINESS INVESTMENT DIVISION OF SMALL BUSINESS ADMINISTRATION

671. Establishment; Associate Administrator; appointment and compensation.

672. Repealed.

SUBCHAPTER III—INVESTMENT DIVISION PROGRAMS

PART A—SMALL BUSINESS INVESTMENT COMPANIES

681. Organization.

(a) Incorporation and charter under State law, period of succession; area of operations.

(b) Articles of incorporation; approval.

(c) Issuance of license.

(e) Fees.

682. Capital requirements.

(a) Amount.

(b) Financial institution investments.

(c) Diversification of ownership.

683. Borrowing operations.

(a) Authority to issue obligations.

(b) Debentures and participating securities.

(c) Third party debt.

(d) Required certifications.

(e) Capital impairment.

(f) Redemption or repurchase of preferred stock.

(g) Guarantee of payment of and authority to purchase participating securities.

(h) Computation of amounts due under participating securities.

(i) Leverage fee.

(j) Calculation of subsidy rate.

684. Equity capital for small-business concerns.