

AMENDMENT TO H.R. 1425
OFFERED BY MR. LIPINSKI OF ILLINOIS

Page 41, after line 13, insert the following new section:

1 SEC. 207. PHASE 0 PROOF OF CONCEPT PARTNERSHIP
2 PILOT PROGRAM.

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

6 “(kk) PHASE 0 PROOF OF CONCEPT PARTNERSHIP
7 PILOT PROGRAM.—

8 “(1) IN GENERAL.—The Director of the Na-
9 tional Institutes of Health shall use \$10,000,000 of
10 the funds allocated under subsection (n)(1) for a
11 Proof of Concept Partnership pilot program to accel-
12 erate the creation of small businesses and the com-
13 mercialization of research innovations from quali-
14 fying institutions. To implement this program, the
15 Director shall award, through a competitive, merit-
16 based process, grants to qualifying institutions.
17 These grants shall only be used to administer Proof
18 of Concept Partnership awards in conformity with
19 this subsection.

1 “(2) DEFINITIONS.—In this subsection—

2 “(A) the term ‘Director’ means the Direc-
3 tor of the National Institutes of Health;

4 “(B) the term ‘pilot program’ refers to the
5 Proof of Concept Partnership pilot program;
6 and

7 “(C) the terms ‘qualifying institution’ and
8 ‘institution’ mean a university or other research
9 institution that participates in the National In-
10 stitutes of Health’s STTR program.

11 “(3) PROOF OF CONCEPT PARTNERSHIPS.—

12 “(A) IN GENERAL.—A Proof of Concept
13 Partnership shall be set up by a qualifying in-
14 stitution to award grants to individual research-
15 ers. These grants should provide researchers
16 with the initial investment and the resources to
17 support the proof of concept work and commer-
18 cialization mentoring needed to translate prom-
19 ising research projects and technologies into a
20 viable company. This work may include tech-
21 nical validations, market research, clarifying in-
22 tellectual property rights position and strategy
23 and investigating commercial or business oppor-
24 tunities.

1 “(B) AWARD GUIDELINES.—The adminis-
2 trator of a Proof of Concept Partnership pro-
3 gram shall award grants in accordance with the
4 following guidelines:

5 “(i) The Proof of Concept Partnership
6 shall use a market-focused project manage-
7 ment oversight process, including—

8 “(I) a rigorous, diverse review
9 board comprised of local experts in
10 translational and proof of concept re-
11 search, including industry, start-up,
12 venture capital, technical, financial,
13 and business experts and university
14 technology transfer officials;

15 “(II) technology validation mile-
16 stones focused on market feasibility;

17 “(III) simple reporting effective
18 at redirecting projects; and

19 “(IV) the willingness to reallocate
20 funding from failing projects to those
21 with more potential.

22 “(ii) Not more than \$100,000 shall be
23 awarded towards an individual proposal.

24 “(C) EDUCATIONAL RESOURCES AND
25 GUIDANCE.—The administrator of a Proof of

1 Concept Partnership program shall make edu-
2 cational resources and guidance available to re-
3 searchers attempting to commercialize their in-
4 novations.

5 “(4) AWARDS.—

6 “(A) SIZE OF AWARD.—The Director may
7 make awards to a qualifying institution for up
8 to \$1,000,000 per year for up to 3 years.

9 “(B) AWARD CRITERIA.—In determining
10 which qualifying institutions receive pilot pro-
11 gram grants, the Director shall consider, in ad-
12 dition to any other criteria the Director deter-
13 mines necessary, the extent to which qualifying
14 institutions—

15 “(i) have an established and proven
16 technology transfer or commercialization
17 office and have a plan for engaging that
18 office in the program implementation;

19 “(ii) have demonstrated a commit-
20 ment to local and regional economic devel-
21 opment;

22 “(iii) are located in diverse geog-
23 raphies and are of diverse sizes;

24 “(iv) can assemble project manage-
25 ment boards comprised of industry, start-

1 up, venture capital, technical, financial,
2 and business experts;

3 “(v) have an intellectual property
4 rights strategy or office; and

5 “(vi) demonstrate a plan for sustain-
6 ability beyond the duration of the funding
7 award.

8 “(5) LIMITATIONS.—The funds for the pilot
9 program shall not be used—

10 “(A) for basic research, but to evaluate the
11 commercial potential of existing discoveries, in-
12 cluding—

13 “(i) proof of concept research or pro-
14 totype development; and

15 “(ii) activities that contribute to de-
16 termining a project’s commercialization
17 path, to include technical validations, mar-
18 ket research, clarifying intellectual prop-
19 erty rights, and investigating commercial
20 and business opportunities; or

21 “(B) to fund the acquisition of research
22 equipment or supplies unrelated to commer-
23 cialization activities.

24 “(6) EVALUATIVE REPORT.—The Director shall
25 submit to the Committee on Science, Space, and

1 Technology and the Committee on Small Business of
2 the House of Representatives and the Committee on
3 Small Business and Entrepreneurship of the Senate
4 an evaluative report regarding the activities of the
5 pilot program. The report shall include—

6 “(A) a detailed description of the institu-
7 tional and proposal selection process;

8 “(B) an accounting of the funds used in
9 the pilot program;

10 “(C) a detailed description of the pilot pro-
11 gram, including incentives and activities under-
12 taken by review board experts;

13 “(D) a detailed compilation of results
14 achieved by the pilot program, including the
15 number of small business concerns included and
16 the number of business packages developed, and
17 the number of projects that progressed into
18 subsequent STTR phases; and

19 “(E) an analysis of the program’s effec-
20 tiveness with supporting data.

21 “(7) SUNSET.—The pilot program under this
22 subsection shall terminate at the end of fiscal year
23 2014.”.

