

AMENDMENT OFFERED BY Mr. Kennedy  
of Massachusetts TO THE  
AMENDMENT IN THE NATURE OF A SUBSTITUTE

At the end of subtitle B of title IV, insert the following new section:

1 **SEC. 423. INNOVATION VOUCHER PILOT PROGRAM.**

2 Section 25 of the Stevenson-Wydler Technology Inno-  
3 vation Act of 1980 (15 U.S.C. 3720) as amended by sec-  
4 tion 501 of this Act, is further amended by adding at the  
5 end the following:

6 “(e) INNOVATION VOUCHER PILOT PROGRAM.—

7 “(1) IN GENERAL.—The Secretary, acting  
8 through the Office of Innovation and Entrepreneur-  
9 ship and in conjunction with the States, shall estab-  
10 lish an innovation voucher pilot program to accel-  
11 erate innovative activities and enhance the competi-  
12 tiveness of small and medium-sized manufacturers in  
13 the United States. The pilot program shall—

14 “(A) foster collaborations between small  
15 and medium-sized manufacturers and research  
16 institutions; and

17 “(B) enable small and medium-sized man-  
18 ufacturers to access technical expertise and ca-  
19 pabilities that will lead to the development of

1 innovative products or manufacturing processes,  
2 including through—

3 “(i) research and development, includ-  
4 ing proof of concept, technical develop-  
5 ment, and compliance testing activities;

6 “(ii) early-stage product development,  
7 including engineering design services; and

8 “(iii) technology transfer and related  
9 activities.

10 “(2) AWARD SIZE.—The Secretary shall com-  
11 petitively award vouchers worth up to \$20,000 to  
12 small and medium-sized manufacturers for use at el-  
13 igible research institutions to acquire the services de-  
14 scribed in paragraph (1)(B).

15 “(3) STREAMLINED PROCEDURES.—The Sec-  
16 retary shall streamline and simplify the application,  
17 administrative, and reporting procedures for vouch-  
18 ers administered under the program.

19 “(4) REGULATIONS.—Prior to awarding any  
20 vouchers under the program, the Secretary shall pro-  
21 mulgate regulations—

22 “(A) establishing criteria for the selection  
23 of recipients of awards under this subsection;

24 “(B) establishing procedures regarding fi-  
25 nancial reporting and auditing—

1                   “(i) to ensure that awards are used  
2                   for the purposes of the program; and

3                   “(ii) that are in accordance with  
4                   sound accounting practices; and

5                   “(C) describing any other policies, proce-  
6                   dures, or information necessary to implement  
7                   this subsection, including those intended to  
8                   streamline and simplify the program in accord-  
9                   ance with paragraph (3).

10                  “(5) TRANSFER AUTHORITY.—The Secretary  
11                  may transfer funds appropriated to the Department  
12                  of Commerce to other Federal agencies for the per-  
13                  formance of services authorized under this sub-  
14                  section.

15                  “(6) ADMINISTRATIVE COSTS.—All of the  
16                  amounts appropriated to carry out this subsection  
17                  for a fiscal year shall be used for vouchers awarded  
18                  under this subsection, except that the Secretary may  
19                  set aside a percentage of such amounts for eligible  
20                  research institutions performing the services de-  
21                  scribed in paragraph (1)(B) to defray administrative  
22                  costs associated with the services. The Secretary  
23                  shall establish a single, fixed percentage for such  
24                  purposes that will apply to all eligible research insti-  
25                  tutions.

1           “(7) OUTREACH.—The Secretary may use cen-  
2           ters established under section 25 of the National In-  
3           stitute of Standards and Technology Act (15 U.S.C.  
4           278k) to provide information about the program es-  
5           tablished under this subsection and to conduct out-  
6           reach to potential applicants, as appropriate.

7           “(8) REPORTS TO CONGRESS.—

8           “(A) PLAN.—Not later than 180 days  
9           after the date of enactment of the FIRST Act  
10          of 2014, the Secretary shall transmit to Con-  
11          gress a plan that will serve as a guide for the  
12          activities of the program. The plan shall include  
13          a description of the specific objectives of the  
14          program and the metrics that will be used in  
15          assessing progress toward those objectives.

16          “(B) OUTCOMES.—Not later than 3 years  
17          after the date of enactment of the FIRST Act  
18          of 2014, the Secretary shall transmit to Con-  
19          gress a report containing—

20                  “(i) a summary of the activities car-  
21                  ried out under this subsection;

22                  “(ii) an assessment of the impact of  
23                  such activities on the innovative capacity of  
24                  small and medium-sized manufacturers re-

1           ceiving assistance under the pilot program;

2           and

3                   “(iii) any recommendations for admin-  
4           istrative and legislative action that could  
5           optimize the effectiveness of the pilot pro-  
6           gram.

7           “(9) COORDINATION AND NONDUPLICATION.—

8           To the maximum extent practicable, the Secretary  
9           shall ensure that the activities carried out under this  
10          subsection are coordinated with, and do not dupli-  
11          cate the efforts of, other programs within the Fed-  
12          eral Government.

13          “(10) ELIGIBLE RESEARCH INSTITUTIONS DE-  
14          FINED.—For the purposes of this subsection, the  
15          term ‘eligible research institution’ means—

16                  “(A) an institution of higher education, as  
17                  such term is defined in section 101(a) of the  
18                  Higher Education Act of 1965 (20 U.S.C.  
19                  1001(a));

20                  “(B) a Federal laboratory;

21                  “(C) a federally funded research and devel-  
22                  opment center; or

23                  “(D) a Hollings Manufacturing Extension  
24                  Center established under section 25 of the Na-

1            tional Institute of Standards and Technology  
2            Act (15 U.S.C. 278k).

3            “(11) AUTHORIZATION OF APPROPRIATIONS.—  
4            There are authorized to be appropriated to the Sec-  
5            retary to carry out the pilot program in this sub-  
6            section \$5,000,000 for each of fiscal years 2015  
7            through 2019.”.

