HEALTH CARE REFORM

(Mr. WU asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WU. Mr. Speaker, a few years ago on a Mother's Day Sunday, my daughter got a cut on her face and was bleeding. So I took her to the emergency room. She got a Band-Aid and some antiseptic cream. It was a $350 bill.

A couple years later, I took my son to Central Oregon with me on a conference. He jumped from the bed to the fireplace in the hotel, missed his landing, split his lip. I took him to the emergency room. He got three stitches. He got good treatment. The bill was for $850.

Why do three stitches cost $850 or a Band-Aid $350?

Those 49 million uninsured people in America, we are already paying for their health care; but it's through the dumbest way that we can, through expensive products for some of us, even though I have insurance. And what we do need now is change in our health care system so that we cover those uninsured because it's not only the right thing to do; it is the smart thing to do so that we don't have $350 bandages and $850 stitches.

PROVIDING FOR CONSIDERATION OF H.R. 2965, ENHANCING SMALL BUSINESS RESEARCH AND INNOVATION ACT OF 2009

Mr. POLIS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 610 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 610

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2965) to amend the Small Business Act with respect to the Small Business Innovation Research Program and the Small Business Technology Transfer Program, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour, with 40 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Small Business and 20 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Science and Technology. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendment recommended by the Committee on Science and Technology now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Small Business now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The proponent of any such amendment may modify its amendatory instructions before the question is put thereon. All points of order against such amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. The Chair may entertain a motion that the Committee rise only if offered by the chair of the Committee on Small Business or her designee. The Chair may not entertain a motion to strike out the enacting words of the bill (as described in clause 9 of rule XVIII).

SEC. 3. During consideration of H.R. 2965, the Chair may reduce to two minutes the minimum time for electronic voting under clause 6 of rule XVIII and clauses 8 and 9 of rule XX.

The SPEAKER pro tempore. The gentleman from Colorado is recognized for 1 hour.

Mr. POLIS. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentlewoman from North Carolina, Dr. Foxx. All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

Mr. POLIS. Mr. Speaker, I ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 610.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. POLIS. Mr. Speaker, I yield myself such time as I may consume.

House Resolution 610 provides for consideration of H.R. 2965, the Enhancing Small Business Research and Innovation Act of 2009, under a structured rule. The rule provides for 1 hour of general debate with 40 minutes controlled by the Committee on Small Business and 20 minutes controlled by the Committee on Science and Technology. The rule makes in order five amendments printed in the Rules Committee report. The amendments are debatable for 10 minutes each, except for the manager's amendment, which is debatable for 30 minutes. The rule provides one motion to recommit, with or without instructions.

Mr. Speaker, I rise in support of House Resolution 610 and the underlying bill, H.R. 2965, the Enhancing Small Business Research and Innovation Act, which reauthorizes the Small Businesses Innovation Research Program and the Small Business Technology Transfer Program.

Programs such as these, programs that successfully create high-wage jobs and ensure our Nation's technological competitive advantage in wide areas from software to defense to medicine, are vital, particularly in light of our economic climate.

On behalf of my constituents in Colorado whose businesses have prospered as a result of this program, I thank my friend from Pennsylvania (Mr. ALTMIRE) for crafting this legislation. I also thank Chairwoman VELÁZQUEZ and Chairman GORDON and their staffs for their hard work and efforts to bring this bill in a timely fashion before us on the floor of the House of Representatives. With the Small Business Innovation and Research Program extension set to expire at the end of this month, these committees have carefully debated this legislation and with deliberate speed have brought us a bill that is an improvement over existing programs and is deserving of swift passage by this body.

Since its inception in 1982, the SBIR has made awards to more than 94,000 projects totaling over $20.7 billion of funding for small businesses. The SBIR program was conceived to help small innovative businesses access Federal research and development funding that creates jobs and allows Federal agencies to benefit from the ingenuity of private industry. SBIR's companion, the Small Business Technology Transfer Program, which began in 1992, goes further by incorporating nonprofit research institutes. This public-private partnership program is a success story that's not only created jobs but has also yielded dividends for the Federal agencies that sponsor the program. Americans can be proud that Federal resources have been leveraged to create innovations that have benefited 11 Federal agencies that have SBIR programs, including the National Institutes of Health, the Department of Energy, and the Department of Defense. The research and development of new technologies and processes that is completed by private companies have created efficiency in the Departments that sponsor SBIR while freeing the resources and staffs for projects that are essential to the agency's mission, making our Nation safer and our citizens healthier.

Mr. Speaker, the success of this program is clear. One need only look to the patents that have resulted from SBIR awards or the 1.5 million Americans employed by SBIR program participant companies to get a sense of the real value of this program.

□ 1045

Less tangible but equally important are the other benefits of this program. Across the country, communities have

enjoyed the economic impact of investment in small business. The projects of SBIR participants have resulted in not only high-wage, direct research employment but also have generated manufacturing jobs right here in this country and a host of support industry jobs.

In my State of Colorado, the synergy of Federal labs, small business, and academia has driven economic growth in good times and in bad, and acted as a stabilizing effect in the hard times. In my district, as a result of SBIR participation, Boulder-based Tech-X Corporation has created 58 high-paying jobs that earn $453,000 from sales and licensing of advanced software that's used in private industry as well as NASA, the Department of Energy, and the Department of Defense.

The legislation before us reauthorizes the program that allows small businesses to make big plans and helps them succeed. I remind my colleagues that in the midst of a recession, we have an obligation to our small businesses to provide as much security as possible, and that reauthorizing this program through 2011 provides security for long-range planning while giving Congress the opportunity to adjust any deficiencies in the program. This flexibility is important when considering the fast pace of change in the high-tech industry.

With H.R. 2965, we don't just reauthorize the SBIR program, we also modernize and improve the program. We increase funding levels for phase I and phase II awards to a level that's consistent with modern financial realities. We clarify the language regarding which companies can participate so that no worthwhile innovation is left behind. And we streamline the SBIR and STTR so that the two programs operate more efficiently, meet clear performance standards, and put taxpayer dollars to the best possible use.

We also put a greater emphasis on bringing products to market and broaden the pool of businesses that participate with outreach to rural and underserved communities. Finally, and importantly, we increase the outreach to our Nation's veterans, ensuring that those who have served our country have every opportunity to reenter the business world and succeed financially when they get home.

Mr. Speaker, today we have a great opportunity to reauthorize a program that the Government Accountability Office has said clearly is doing what Congress asked it to do in achieving commercial sales and developmental funding for the private sector.

I ask my colleagues to join me in supporting this bill and the underlying legislation.

I reserve the balance of my time.

Ms. FOXX. Mr. Speaker, I yield myself such time as I may consume.

I want to thank my colleague from Colorado for yielding time. However, I must rise in opposition to this closed rule for H.R. 2965, Enhancing Small Business Research and Innovation Act. While there may be many merits to the underlying bill, this would have been a perfect opportunity for the majority to have opened up this process and allow the House to work its will.

This is a relatively noncontroversial bill which might not even have needed to be considered under a rule except for the opportunity for some of our Democratic colleagues to get some amendments passed. We are in a very busy time with the appropriations process and the schedule very, very full this week, and had we done this, again, under an open rule, I think the process could have gone very, very quickly.

However, the majority has continued its process of shutting out not only the minority, but many of their colleagues by not allowing their amendments to be made in order. So we will oppose this rule on that basis.

With that, Mr. Speaker, I reserve the balance of my time.

Mr. POLIS. One minor correction, to the gentlelady from North Carolina. The rule is a structured rule as opposed to a closed rule. I know that my colleague on the Rules Committee is aware of the difference as well.

Specifically, this rule calls for five amendments to be in order, including three Republican amendments and two Democratic amendments. I think it's a very fair rule. There were 34 amendments that were submitted to the Rules Committee. Thirteen of those were withdrawn by the sponsors, and two were nongermane.

With that, I would like to yield 2 minutes to the gentleman from Georgia (Mr. BARROW).

Mr. BARROW. I thank the gentleman for yielding. Mr. Speaker, I rise in support of H.R. 2965, the Enhancing Small Business Research and Innovation Act, because I believe this bill is vital to modernizing Small Business Innovation Research and Technology Transfer programs.

I'm also pleased that this bill includes a proposal I sponsored last year that will establish a grant program for minority colleges and universities to partner with nonprofits. Working together, nonprofits and minority colleges and universities will develop relationships with industries and small businesses that will expand minority-owned small business opportunities.

Small businesses are the engine that drives the American economy, and this act will help grow small businesses where both the need—and the opportunity—are the greatest. I believe this bill is critical to sustain job growth, and exactly the kind of legislation that our Nation needs right now, and I urge my colleagues to support the rule and vote for it.

Ms. FOXX. I now yield 4 minutes to my colleague, the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. I thank the gentlelady for yielding. I rise in opposition to this rule. I submitted a very noncontroversial amendment to the Rules Committee that would have prevented congressional earmarking to any of the funds appropriated to the Federal agencies while carrying out these programs.

My amendment was germane. It would have been in order, had they simply ruled it in order. This same amendment has been added several times both by voice vote and by roll call vote to several other pieces of legislation. So there's no controversy here. But I have to wonder why they wouldn't allow this amendment. And let me just speculate for a minute.

Under this program, which continues to grow, according to CRS, the SBIR awarded $45 million for nearly 700 projects in 1983—the year it was established. By the time we reached fiscal year 2006, more than $1.8 billion was awarded to almost 6,000 projects.

Now these are projects that are awarded by the SBA based on merit, for the most part, I guess. That's the way the program is set up, as it should be if you're going to have a program like this. I can't pretend to be a fan of this program, but if you are, you allow the projects to be distributed—the money for projects, based on merit.

The problem is, as we have discovered here in Congress, one way to ingratiate yourselves to your constituents and to win reelection is to earmark those kind of funds for projects in your home district and to circumvent the process of merit that should go on with the Federal agencies. That's what we have done in program after program after program after program.

We were told, for example, when we had the Homeland Security Department established, and we started appropriating money to it, We will never earmark these funds. Don't worry, we're not going to earmark it. Well, guess what? We're already earmarking. The last bill that came to the floor, the Homeland Security Bill, had hundreds of earmarks in it.

For example, there's a program called the pre-disaster mitigation program. It's supposed to be for Homeland Security to award grants to help communities prepare for disasters.

Well, guess what? Already a quarter of those funds are lopped off the top, earmarked, mostly by appropriators and powerful committee chairs, to their districts. In fact, I think the last figures were 70 percent of the money that was earmarked was earmarked by fewer than 25 percent of this body. So it's a spoils system.

Now this, when you're awarding money to 6,000 projects, this is simply irresistible to Members of Congress who seek to earmark. Mark my words, if we don't put protections in here, these funds are going to be earmarked.

And so the failure to allow the amendment to stipulate that none of these funds should be earmarked should be taken as notice that we're going to start earmarking these funds. And that is unfortunate.

It's part of a pattern, though, that we've seen this year. We are actually

bringing appropriation bills to the floor under rules, under a structured or closed rule, where very few amendments are allowed to even be offered.

We will be considering the agriculture bill. There are hundreds and hundreds and hundreds of earmarks in that bill. We will have amendments to strike maybe a half dozen. That's not transparency and accountability. What good is transparency if you can't actually challenge a number of these earmarks?

The real purpose of all this narrowing down the number of amendments that can be offered, believe me, is that we will be appropriating for the Department of Defense later this month. There will be more than a thousand——

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. FOXX. I yield an additional 1 minute.

Mr. FLAKE. There will be well over a thousand, if history proves correct here, over a thousand earmarks in the Defense bill, most of which will be earmarks to private companies, most of which will be in proximity to campaign contributions that will be returned—the circular fundraising that has become a fixture over the past couple of years under Republicans and Democrats in this House.

The purpose of narrowing the amendments that can be offered is so we won't have to face those kind of questions on the House floor. Is this money being appropriated for this company? Is this company or their executives contributing back to the Member who secured the earmark?

People don't want those questions being asked on this floor. That's why you're seeing amendments that won't be allowed in order here. That's what this is about. And it's a shame. We should do better than that. We owe this institution better than that.

With that, I urge opposition to the rule.

Mr. POLIS. The bill before us today has no earmarks. To elaborate upon the processes for awarding funds, I'd like to yield 3 minutes to the chairman of the Subcommittee on Technology and Innovation, the gentleman from Oregon (Mr. WU).

Mr. WU. I thank the gentleman. I want to correct the impression that my friend and colleague from Arizona left. I respect him for his consistency in pursuing certain topics, but I believe that on this particular topic he has completely missed the mark.

Federal research dollars in this program are allocated on a merit, peer-reviewed process. That applies to the 97.5 percent of the moneys that are allocated for research. The products, the fruits of that research are sometimes commercializable, and that's why there's a 2.5 percent set-aside for the SBIR program.

Now, that 2.5 percent, which is what we're talking about here today, that 2.5 percent is given out by each of the agencies that sponsor that research on a merit-based process that is not subject to congressional influence of any kind whatsoever. It is done by the agencies by peers who are professionals in the field.

And any impression that my friend and colleague from Arizona has left that there is congressional influence in earmarking is completely wrong. He should take his battles about earmarks to an appropriate field, and not this one, where both the 97.5 percent of the research dollars that are granted as a peer-review process is awarded on merit, and the 2.5 percent of those research dollars that are awarded under this SBIR program is also awarded by peers in the field based on merit.

This has nothing to do with any congressional earmarking process, and any allegation to the contrary just completely misses the mark.

Mr. FLAKE. Will the gentleman yield?

Ms. FOXX. Mr. Speaker, I yield 1 minute to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. I thank the gentlelady for yielding. I thank the gentleman from Oregon for clarifying that. All my amendment would do is say that this program should continue to be based on merit rather than be subject to congressional earmarking.

I appreciate what the gentleman has said. Unfortunately, we have seen program after program after program that started off as a merit-based program all of a sudden be earmarked later. All this amendment would have done is what we have done in many other bills by voice vote and roll call, to simply stipulate that in future, or for the life of this authorization, those moneys that are meant for merit-based programs are not earmarked by Congress.

And so I thank the gentleman for clearing that up. I just wish we would have made this in order. The fact that we didn't worries me because this becomes irresistible to Republicans and Democrats alike to start earmarking these funds.

Mr. POLIS. With the Nation facing a historically tight credit market, H.R. 2965 makes it easier for small businesses that participate in SBIR to find capital and lets the business owners—not Washington bureaucrats—decide how to raise that capital.

The commonsense improvements to the SBIR program, clarifying its mission and which businesses qualify, will make an already successful program run more efficiently and yield better results for taxpayers and for American businesses.

The new focus on bringing products to market will help create even more job growth in manufacturing as well as support industries. America can be competitive and will continue to be competitive in manufacturing jobs in the high-tech sector. As technology improves at a lightning pace, the investments we make today in high-tech companies will ensure our Nation's technological advantage for many years to come.

□ 1100

The success of these companies brings new technology, efficiency and economic activity to Federal agencies and private industry alike. But more importantly, these successes will spark interest in science and technology in our youth. The advances we make now need a steady pipeline of new lines to keep us on track. We can leave no better legacy to the next generation of Americans than our example of intellectual prowess. Our colleagues on the Small Business Committee and the Science and Technology Committee understand the importance of taking action now for a stronger economic future. It is for this reason that both committees voted unanimously to bring this legislation to the floor of the House of Representatives.

Mr. Speaker, let us follow the example of our colleagues by putting partisanship aside and reauthorizing this program which has been so beneficial for our constituents. Let us show the American people that this is what we can accomplish when Democrats and Republicans work together for the common good.

I reserve the balance of my time.

Ms. FOXX. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MANZULLO).

Mr. MANZULLO. Mr. Speaker, I rise in opposition to the rule. There were several germane amendments submitted—including amendments by Congressmen MARKEY and GINGREY—that would have corrected a fatal flaw in this legislation. The bill sets the precedent to redefine what it means to be a small business by allowing large business interests to take advantage of a small business program.

I am not disparaging the venture capital industry. It's extremely important. It plays a great part and a vital role in our economy because venture capitalists fill a vacuum that banks simply cannot touch. Banks generally do not lend money for long-range research projects that are based on little collateral. However, because venture capitalists generally do not get involved in first-stage seed investment—the equivalent of Phase I funding in the SBIR program—efforts to dramatically expand the SBIR program to VC-owned firms will come at the expense of the truly small independent inventor looking for the first phase of feasibility funding.

According to the latest data from the Small Business Administration, venture capitalists funded only 237 startup or seed investment deals for $894 million in the entire United States in 2005. In contrast, the SBIR program funded 6,010 startup or seed investment deals for $1.86 billion in 2005. In addition, the venture capitalist seed deals were primarily concentrated in just five States—California, Maryland, Massachusetts, Pennsylvania and New

York—but SBIR awards were more dispersed geographically throughout every State in America.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. FOXX. I yield the gentleman from Illinois 1 additional minute.

Mr. MANZULLO. That's the problem, Mr. Speaker, because the bill comes up as a small business bill, but the language has been changed to allow these large venture capitalist firms to displace funding which was designated for small businesses for years. I chaired the Small Business Committee for 6 years; and year after year this issue came up as to what size company should be involved in getting this type of grant. It just does not make sense to now expand the definition of small business to include many of these venture capital firms; and that's why without the protections of the Markey amendment or the Gingrey amendment, funding designed for small businesses simply will go away. So I would urge the House to oppose the rule and to vote against the bill.

Mr. POLIS. I yield myself such time as I may consume.

To address the points made by my colleague Mr. MANZULLO of Illinois, previous to this change, we effectively require that recipient companies take government money in Phase I in order to be eligible for Phase II. By making this change, we're saying, You know what, you don't need to rely on the government. You can raise private capital to make yourself eligible for Phase II. And we can actually have more funding available for Phase II by reducing the need for Phase I money by using private capital sources rather than government capital, rather than the taxpayer money that would otherwise go into it.

We also have protections to ensure that a majority of the company is owned by those inventors and entrepreneurs who start the company. Venture capital investment is typically 20, 30, 40 percent of the company. Under this bill, we also stipulate that it can't be a majority of the company.

Mr. MANZULLO. Will the gentleman yield?

Mr. POLIS. I yield to the gentleman from Illinois.

Mr. MANZULLO. The bill clearly shows that a VC couldn't own a majority of a company that gets an SBIR grant, but the majority of the stakeholders in the majority-owned company have to be individuals. It still allows the big VC companies to come in and displace the money that otherwise would go to small businesses. Venture capitalists do tremendous work; but certainly not in this situation, where the money gets diverted from the big companies to the little guys.

Mr. POLIS. Reclaiming my time, why should companies be forced to accept government grants when there's private capital out there that would be willing to save taxpayer money, invest in those companies, bring that technology to the next stage and preserve that taxpayer money to be able to invest in the commercialization of those products and technologies?

With that, I would like to yield 2 minutes to the gentleman from Oregon (Mr. WU), the chairman of the Subcommittee on Technology and Innovation.

Mr. WU. I thank the gentleman.

I want to address the points raised by Mr. MANZULLO, which I also believe to be erroneous. First, the history of this program has been that from 1982 until 2003, venture capital investment in SBIR companies was not restricted in any way whatsoever. The National Academy of Sciences studied this issue and said that during that period, there is absolutely no evidence that VC funding helped crowd out any small businesses. The legislation then and the legislation today limits the businesses that receive SBIR grants to those with 500 employees or less, the quintessential definition of what a small business is.

Now what happened in 2003 is that a single administrative law judge in Boston, Massachusetts, interpreted a domestic ownership provision in the law to say that it has to be owned by real American people as opposed to American VCs. That was permitted before. The 2003 ruling has been expanded, in effect, to bar majority VC ownership. That is wrong. It prevents the public sector from giving money under this program to very good technologies. It prevents companies from raising money from both the public sector and the private sector, and this argument is completely erroneous about big VCs. We are talking about small companies. We are talking about small companies getting SBIR grant funds, and those small companies may have board members from VCs, but they are independent of VCs.

The SPEAKER pro tempore. The time of the gentleman from Oregon has expired.

Mr. POLIS. I yield the gentleman 1 additional minute.

Mr. WU. Quite frankly, I do not know of a single VC that wants to spend the time or energy controlling an investment company. What they want to do is to get their money out with a big return. What the gentleman is concerned about is a scenario that just doesn't occur in the real world.

Paradoxically, what the gentleman is pressing is a position that actually penalizes the smaller companies because it is precisely the smaller company that has to give away more of its equity to VCs to raise the same amount of money. So if you are a three-employee company, you might have to give away 60 percent of your company to raise $1 million; whereas, if you have 30 employees or 300 employees, you might only give away 10 percent of your money to raise the same amount of money. Paradoxically, what the gentleman is asking for actually penalizes small startup companies.

Ms. FOXX. Mr. Speaker, I yield the gentleman from Illinois 1 additional minute.

Mr. MANZULLO. When I chaired the Small Business Committee, I had a steady trail of VCs coming to my office wanting to change the law, pleading poverty. And I asked one gentleman, What's your net worth? He said $40 million, and the meeting ended.

The problem with this bill is that it will crowd out the little guys, for whom it was originally intended. And the decision that was correctly made by the judge, that these are very special set-asides—2.5 percent are designed for the little guys, and the big guys can go after the 97.5 percent—and what little crumbs are left for the little guys will be eaten away by allowing the VCs to come in under the proposed changes. That's my concern with this, and that's based upon 6 years of people lobbying me to change the bill, and I refused to do that when I chaired the Small Business Committee.

Mr. POLIS. Mr. Speaker, I would share with my colleague from Illinois that in my previous career before I came to Congress, I had been on various sides of this equation. I have been a venture capital investor. I have been in venture-backed companies. I have been a limited partner in venture capital companies, and I have raised money from individual investors as well.

I can't see any good reason why the government should discriminate on the form of capital based on the form of capital the company has raised. It might be debt financing from a bank. It might be private capital from individual investors. It might be professional venture capital. It might be a grant under DARPA. It might be a Phase I grant under SBIR. These are all valid ways to raise money. These are all perfectly fine ways. Personally, I think it's better when they raise money from people rather than taxpayers. If they raise money from venture capital investors, that's a plus. If they raise money from a bank through credit, that's a plus too.

The truth is, a lot of types of businesses aren't bankable. They can't borrow. They can't leverage because they are not buying a tangible asset with that. If you are in software, if you are in e-commerce, you can't borrow to develop that company. You need to rely on equity capital. By discriminating based on equity capital, which is what we are talking about with venture capital, you are basically favoring companies that have a bankable asset that they're purchasing.

Now I'm sure both kinds of companies are critical for the future of our economy, but many of the very technology companies we need to support and are going to be a powerful growth sector in biotech, in computer technology, are going to be companies that can only raise money through equity capital. And by allowing them to do that, through allowing venture capital-

backed companies to be eligible for these programs, we're furthering our engine of economic growth.

I would like to yield 2 additional minutes to the gentleman from Oregon (Mr. WU).

Mr. WU. I thank the gentleman.

Mr. Speaker, to address the points raised by the gentleman from Illinois, this is a program that permitted unlimited venture capital participation from 1982 until 2003. The National Academy of Sciences studied the program then and now. There is absolutely no evidence that VC investment crowds out any small business whatsoever. That was the finding of the National Academy of Sciences. They also found that by permitting venture capital majority participation companies to apply for SBIR, it improved the quality pool of the applicants for SBIR funds.

Now I think one needs to understand that there are two very different segments of this industry. One is the industries that Mr. POLIS and I are more familiar with, in biotech and high tech where companies typically pick up one of these grants or maybe just a couple, and they rocket up or grow and become a public company to get some VC investment. But it's a hockey puck growth curve. It's the classic high-tech startup. There is another group of companies that basically is concentrated around the Defense Department; and they are, in effect, the research arm of the Defense Department. They are steady-state small businesses that are going to have a stream of SBIR and STTR grants, and this is how they fund themselves. Both are valid business models. This has been a very acrimonious battle between these two very different groups of folks who haven't taken enough time to understand each other.

Quite frankly, I came from the high-tech, high-growth model; but I've tried to come to understand this other defense-oriented, steady-state, many SBIR grants model.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. POLIS. I yield 1 additional minute to the gentleman from Oregon.

□ 1115

Mr. WU. What we have in the bill is a careful set of protections so that this is approved by many of the parties around the table, but evidently not all. We are going to permit majority venture capital ownership again to improve the quality of applicants so that we choose the proper technologies and the best technologies for both the public and the private sectors. There would be certain restrictions on VCs that are owned by large corporations, and no VC could control the board of any of these applicants.

The provisions in the bill are carefully crafted. They are emphatically in the interests of the smallest investees, that is, those small companies that have to give away more of their equity to get a certain amount of money from a venture capitalist. Those are the companies that have been disqualified under the ALJ ruling, under the judge's ruling, and the historic norm from 1983 to 2002 will be partially restored by this bill.

Ms. FOXX. Mr. Speaker, it is my understanding that this program has resulted in many good things happening in our country. We are now going to be spending this year $260.5 million on this program; however, I think that we need to call attention to the many ways that the Democrats are harming small businesses in our country.

This is a small program, but what they are going to be doing, in terms of what we have understood from the Democrat health plan that is going to be introduced later this week, from press reports, is they are going to partially pay for it by imposing a surtax on individuals with incomes in excess of $250,000 a year. But because most small businesses do not pay corporate income taxes and, instead, pay taxes on small business income on their individual returns, small businesses are going to be particularly hard hit by this tax increase. While precise data is not currently available on the Democrat proposal, data is available on many small businesses that pay taxes at the top rate.

I want to talk a little bit about that. We have the results of a survey that the National Federation of Independent Business has done. It shows that out of all small businesses, 6.4 percent of those with one to nine employees, 21 percent of those with 10 to 19 employees, and 40 percent of those with 20 to 249 employees would be impacted by a tax increase on incomes above $250,000.

So while the Democrats are giving to a small group of small businesses in this country through this program, they are going to be hurting many, many more small businesses. And this, I think, in some ways is a sop to our small business community when what Republicans want to do is help all of our small businesses, and we can do that by keeping our taxes lower instead of raising them on them.

I would now like to yield 2 minutes to my colleague from Iowa (Mr. KING).

Mr. KING of Iowa. I thank the gentlelady from North Carolina for yielding and for managing this time.

Initially I remarked that it is refreshing to at least hear from a Democrat or two who sound like they do believe and understand in business. That is refreshing. I would think that you would not be Democrats for that reason. I appreciate the dialogue, and I look forward to a lot more. Maybe we can get to the point on how this free market system really works.

I'm curious about this metaphor, ''hockey puck growth curve.'' I'm looking forward to when the gentleman from Oregon can explain that. I think that is the ''Obama hockey puck growth curve,'' which is when you drop the hockey puck in the middle of the arena. That is what has happened with our growth curve since this stimulus package was passed, but I will let him explain that a little further on his own time.

I wanted to raise the issue, Mr. Speaker, of two amendments that were refused by the Rules Committee that I offered in committee and in the full Small Business Committee. We should be about equal opportunity under the law and opportunities for everyone to succeed in this country in a free market economy; yet we have a situation where we are going to approve organizations to be helping out to advance the information and the grants would go to the organizations, and yet one of the organizations that could qualify is ACORN, which has produced over 400,000 fraudulent voter registrations and admitted to that. They and/or their employees are under investigation in 14 States. There is a clear consensus that they are an organization that has at least the image of a criminal organization, and there were investigations. We are in a situation where they are coming into the census as well, and this Congress can't have a voice on whether we are going to approve Federal taxpayer dollars that might go to ACORN? I just ask, eliminate ACORN from this. No. We can't have a vote on that on the floor of the House, according to the Rules Committee.

By the way, we also have special preferences that are set up in this bill that I believe are unconstitutional, equal protection under the law. And these preferences go to either underserved organizations or disabled veterans or women or minorities. Now, if you're not a disabled veteran, the only way you qualify is as a woman or a minority——

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. FOXX. I yield the gentleman 30 additional seconds.

Mr. KING of Iowa. I thank the gentlelady.

Now, I would ask the indulgence of this body to think about what that means. When we have equal protection under the law, a Constitution that should protect us all equally, that is our guarantee, and yet we have legislation before this Congress that defines that it will go especially to women and minorities, and if you look at the cross-section of American society, and it specifically, by definition, excludes white men, I think it is discriminatory. I think that we need to preserve these resources to go to disabled veterans and underserved areas. That was my amendment. It was turned down by the Rules Committee. And, by the way, the Chair declared my amendment to ACORN to be partisan.

Mr. POLIS. To address the points of the gentlelady from North Carolina, when we are talking about this bill, we are talking about a pro business bill. There are no taxes in this bill. This is all budgeted for already in the budget that was passed.

The Democrats have already delivered a number of tax cuts for small businesses. Tax cuts are certainly part of the solution. We have done that through the American Recovery and Reinvestment Act for small businesses. Soon we will be taking up health care, which will be a tremendous benefit to the small businesses of this country.

This bill, H.R. 2965, which invests in small businesses, is supported by the Advanced Medical Technology Association, the Biotechnology Industry Association, the Medical Device Manufacturers Association, the National Venture Capital Association, and the U.S. Women's Chamber of Commerce. It is also supported by many of the patient advocacy groups who recognize that this type of investment will help cure the health concerns and address the health concerns of many American families. It is supported by the Cystic Fibrosis Foundation, the Parkinson's Action Network and the ALS Association.

These are all critical reasons that, for American small business to create jobs and for the health of our population and the continued growth of our economy, we need to pass this rule and pass this bill.

I would like to reserve the balance of my time.

Ms. FOXX. Mr. Speaker, I find it interesting that my colleague from Colorado would be praising a budget that was passed earlier this year that has the seeds of the largest tax increase in the history of this country and will impact all small businesses adversely.

I now would like to yield 3 minutes to my colleague from Georgia (Mr. GINGREY).

Mr. GINGREY of Georgia. Mr. Speaker, I thank the gentlelady for yielding.

With all due respect to my colleague from Oregon, my former chairman of the Subcommittee on Technology and Innovation, I do rise in opposition to this rule.

I had an amendment that would have addressed my concerns. While I am generally supportive of the bill, I have some concerns relating to venture capital involvement, and unfortunately, the rule does not provide for any commonsense amendment offered by Members on both sides of the aisle that would address these concerns. The gentleman from Illinois (Mr. MANZULLO) spoke just a few minutes ago, a former chairman of the Small Business Committee, about these same concerns.

Venture capital helps small business entrepreneurs gain credibility on solid ideas that have the potential for commercialization. However, while venture capital serves as an important component in facilitating small business success, it must also be closely monitored and scrutinized. Because these grants are intended, Mr. Speaker, for small business research and development, we must ensure that venture capital does not represent a majority of the financial interest within the company of SBIR applicants.

Existing law and regulation limits a single venture capital firm from owning 49 percent of the interests of the company applying for the grant. This bill leaves open the possibility that multiple venture capital firms could own the majority of the financial interests within the company. Anyone could own up to 30 percent, or they could own 90 percent of the company. So I believe this goes against the spirit of the program, Mr. Speaker.

The SBIR program is designed to provide assistance to a small business that may have an idea that can be considered a diamond in the rough without necessarily having financial backing to bankroll a promising idea. We had hearings on this issue, and venture capitalists came before us, and they were in the business of, it seemed to me, Mr. Speaker, with all due respect, of churning this program, and I just had great concerns about that. I think overall it is a good program.

Mr. POLIS, you can put me down as supporting the program with all those other organizations that you mentioned, but we should have improved this. We should have had better oversight on venture capital.

Mr. POLIS. Mr. Speaker, again, there is no good economic reason to discriminate on the form of capital, the form of private investment that goes into companies. When you have a company that borrows, a company that has access to credit, one could argue if they are worth less than they borrowed, the bank owns 100 percent of the company, and yet that company could, in fact, be eligible for the SBIR grant. The control provisions are clear. The control of the company cannot reside with the venture capitalist. I think this is a very positive step towards the direction in making sure that, regardless of the source of capital of the company, we invest in the very best technologies, products and services for the American people.

With that, I would like to yield 2½ minutes to the gentleman from Oklahoma (Mr. BOREN).

Mr. BOREN. I want to thank the chairwoman and ranking member of the Small Business Committee for bringing this legislation to the floor, and of course, I support the rule. The Small Business Innovation Research, SBIR, program, is an effort by Congress to increase the portion of Federal research and development dollars provided to small businesses.

Noticing that small businesses were being crowded out of government R&D grants by large corporations, Congress established the SBIR program. This program guarantees small businesses a portion of the Federal Government's large R&D budget.

Mr. Speaker, by any reasonable measure, the SBIR program has been a tremendous success, but some Members of Congress have raised concerns about how the funds are allocated. Critics have argued that certain business sectors receive too large a share of the available Federal R&D dollars and that certain demographics have little success obtaining any SBIR award money. This bill, brought to the floor by the Small Business Committee, makes a strong effort to address these issues. Found in the legislation are attempts to reach out to minority-owned businesses, businesses owned by women, and most importantly, veteran-owned businesses.

It is with the same spirit that I ask the Small Business Committee to consider my language, which directs agencies with an SBIR program to make a concerted effort to reach out to Native American and tribally owned businesses. My State of Oklahoma is home to 38 federally recognized tribes, 17 of which reside in my district. It is my hope that my language, found in the manager's amendment, will make it easier for Native American-owned businesses to obtain these valuable SBIR awards.

Again, I want to thank the chairwoman and ranking member of the Small Business Committee for accepting my proposal. I strongly urge my colleagues to support this legislation and the rule.

Ms. FOXX. Mr. Speaker, we are not talking about taxes being in this bill. Many, as I have said, support this legislation. However, we do know that this is a drop in the bucket compared to the jobs that the Democrats are killing in this country right now, and I'm going to talk a little more about that later. But just the bill that passed just before we went home for the Independence Day break, the cap-and-tax bill, we know is going to eliminate between 1 and 7 million jobs in this country if it is enacted. So many, many more jobs are being killed by this Congress than are being created by this small bill.

I would now like to yield 2 minutes to our colleague from New York (Mr. LEE)

Mr. LEE of New York. I want to thank my friend for the time and to rise to strongly oppose the rule for H.R. 2965.

Because I strongly support the SBIR and STTR programs, I tried to strengthen this legislation by offering a simple amendment that would help ensure their focus remains on their original mission, to support the true small businesses, the family-owned startups that rely on these programs as their main source of seed capital.

Embedded in this legislation is an erroneous provision that makes venture capital-funded companies eligible to participate in these two critical grant programs.

□ 1130

This is a serious flaw. I have major concerns about the potential for highly organized and well-funded venture capital organizations to swamp the system and crowd out those small businesses, those small businesses that are creating the jobs in this country, from getting access to capital. Many of

these small businesses reside in my district here in western New York, and there is such a hard time right now trying to stay afloat. This bill, now allowing venture capital to come in, is the wrong message.

This sentiment has been echoed by members of my 26th District advisory board. One of the members wrote: ''It appears likely that the changes proposed in the bill will result in a distribution of dollars to areas that have a greater number of venture capital-backed companies, such as Massachusetts and California.''

My amendment was not accepted, which is unfortunate, because just last year the Senate forged a sensible bipartisan compromise on this issue. Hopefully, they will play a similar role now given the House's failure to lead on this issue.

Washington is simply not doing enough to support small businesses in these tough economic times. That's why I urge my colleagues to vote down this rule so we can craft a stronger bill.

Mr. POLIS. Again, I think there is, from the other side of the aisle, somewhat of a misunderstanding with regard to what venture capital is. It's as valid a way to finance a company as anything else. It has nothing to do with whether the company is large or small.

There are provisions in here, in the bill, that will require that the company is, in fact, a small company. Whether they receive their financing from a bank, from individual investors, from labor financing, which means people not taking a salary and kind of working for free or on spec, there is a variety of ways to finance companies. And it shouldn't be the business of the government to discriminate based on how a particular company chooses to finance itself.

With that, I would like to yield 1½ minutes to the gentleman from Virginia (Mr. PERRIELLO).

Mr. PERRIELLO. Mr. Speaker, I rise in support of the Enhancing Small Business Research and Innovation Act. Small businesses drive economic growth and create over two-thirds of new jobs. They play a vital role in research and development of new technologies. Small businesses are at the cutting edge of the new clean energy economy.

Before leaving for the 4th of July, we bravely passed an energy bill declaring our independence from oil executives and petro-dictators. As we return to do the people's business, we must pass legislation that will help our small businesses drive and promote the research in energy and alternative fuels.

There are many businesses in my district leading the Nation on new technology, from the production of biodiesel at Red Birch in Henry or Windy Acres in Pennsylvania, to nanotechnology at Luna nanoWorks or NextGen Technology around Danville. We must ensure that our small businesses, the dynamic engine of our economy, are not left behind in the conduct of new breakthrough research.

While I share concerns about opening the program up to venture capitalist firms, I urge my colleagues to support the small business owners over the petro-dictators. Vote for science. Vote for this bill.

Ms. FOXX. Mr. Speaker, I would now like to yield 3 minutes to our distinguished colleague from Michigan (Mr. EHLERS).

Mr. EHLERS. I thank the gentlelady for yielding.

I am pleased that the bill before us today leaves the amount set aside for extramural research budgets of 2.5 percent for the SBIR and 0.3 for the STTR programs and that it remains unchanged from the current law. Last year the House considered legislation which would have increased the set-asides for these programs. However, an amendment I offered at that time on the floor of the House to leave the set-asides unchanged was voice-voted on the floor and approved.

There is a good reason for this. If we do want to increase the amount of money going into the SBIR and STTR programs, the money should come from increasing the allocations to the basic research programs from which these particular programs receive a percentage. I believe that the amendment I offered last year proved to be non-controversial because of the overwhelming support for increasing the funding for these important programs by increasing the overall research funding at the agencies. I understand, however, that the Senate version of this bill does not do that, but increases the set-aside.

By increasing the set-aside, we will only eat away at the base funding for research available to our scientific agencies. I would much rather see us fight for overall extramural research funding increases, which will equivalently benefit the innovation and tech transfer activities of these programs. And I certainly hope that the House conferees will stand strong on this issue in conference with the Senate. The House has done the right thing, and we must support our conferees on that point.

A coalition of more than 100 scientific and professional societies, universities and research institutions have written a letter of support for maintaining their current allocation levels, stating that an increase in set-asides ''would restrict competition for $1 billion in Federal research dollars when future funding levels are uncertain.''

Another letter from the Association of American Universities asserts: ''We believe there is no justification for such increases, especially as such increases would come at the expense of peer-reviewed basic and applied research programs.''

I submit a copy of this letter and another similar one for the RECORD.

JULY 7, 2009.

Re H.R. 2965, the Enhancing Small Business Research and Innovation Act of 2009.

Hon. NYDIA VELÁZQUEZ,
Chairwoman, Small Business Committee, House of Representatives, Washington, DC.

Hon. SAM GRAVES,
Ranking Member, Small Business Committee, House of Representatives, Washington, DC.

Hon. BART GORDON,
Chair, Committee on Science and Technology, House of Representatives, Washington, DC.

Hon. RALPH M. HALL,
Ranking Member, Committee on Science and Technology, House of Representatives, Washington, DC.

DEAR CHAIRWOMAN VELÁZQUEZ, CHAIRMAN GORDON, RANKING MEMBER GRAVES AND RANKING MEMBER HALL: The undersigned, patient advocacy organizations, scientific and professional societies, higher education associations, and research institutions, write to express our support for your efforts to reauthorize the Small Business Innovation Research (SBIR) at its current allocation level. We stand together in opposition to a provision in the Senate SBIR/STTR Reauthorization Act of 2009 (S. 1233) that would increase the allocation for the Small Business Innovation Research (SBIR) program from 2.5% to 3.5% of any federal agency budget that provides more than $100 million for research. As the legislative process moves forward, we urge the adoption of the House version of this legislation for the reasons described below.

We recognize the benefits of the participation of small businesses in scientific research. Unfortunately, the Senate has proposed a mandatory increase in the SBIR allocation across agencies that will necessarily result in funding cuts for the peer-reviewed research conducted by other organizations. This fundamental research creates the discoveries that fuel innovation, improve quality of life and contribute to our country's economic growth. Indeed, the increase in the SBIR allocation proposed in S. 1233 would restrict competition for $1 billion in federal research dollars, during a time when future funding levels are uncertain. Rather than increasing support for one type of research at the expense of all others, we urge Congress to work with the Obama Administration to increase funding for all research, thereby increasing the total investment in SBIR.

We applaud your hard work on this complex issue, and stand ready to work with you to pass the Enhancing Small Business Research and Innovation Act of 2009 (H.R. 2965).

Sincerely,

Ad Hoc Group for Medical Research.
American Association for Dental Research (IADR).
American Association for the Advancement of Science (AAAS).
American Association of Anatomists (AAA).
American Association of Colleges of Nursing (AACN).
American Association of Colleges of Osteopathic Medicine (AACOM).
American Association of Colleges of Pharmacy (AACP).
American College of Radiology (ACR).
American Educational Research Association (AERA).
American Gastroenterological Association (AGA).
American Liver Foundation (ALF).
American Mathematical Society (AMS).
American Psychological Association (APA).
American Society for Biochemistry & Molecular Biology (ASBMB).
American Society for Investigative Pathology (ASIP).

American Society for Nutrition (ASN).
American Society for Pharmacology & Experimental Therapeutics (ASPET).
American Society of Nephrology (ASN).
American Statistical Association (ASA).
Arizona State University.
Association for Psychological Science (APS).
Association for Research in Vision and Ophthalmology (ARVO).
Association of American Medical Colleges (AAMC).
Association of American Universities (AAU).
Association of Independent Research Institutes (AIRI).
Association of Population Centers (APC).
Association of Public and Land-grant Universities (A.P.L.U.).
Association of Schools of Public Health (ASPH).
Biophysical Society (BPS).
Boston University School of Medicine.
California Institute of Technology.
Case Western Reserve University.
Cedars-Sinai Medical Center.
Coalition for the Advancement of Health Through Behavioral and Social Sciences.
Research (CAHT–BSSR).
Coalition for the Life Sciences (CLS).
Coalition to Protect Research (CPR).
Columbia University.
Computing Research Association (CRA).
Consortium of Social Science Associations (COSSA).
Consortium of Universities for the Advancement of Hydrologic Science, Inc. (CUAHSI).
Council of Energy Research and Education Leaders (CEREL).
Council of Environmental Deans and Directors.
Duke University.
Energy Sciences Coalition (ESC).
Environmental Mutagen Society (EMS).
Federation of American Societies for Experimental Biology (FASEB).
Federation of Behavioral, Psychological, and Cognitive Sciences (FBPCS).
Harvard University.
Indiana University.
Institute for the Advancement of Social Work Research (IASWR).
Ktech Corporation.
Michigan State University.
National Alliance for Eye and Vision Research (NAEVR).
National Alliance on Mental Illness (NAMI).
National Caucus of Basic Biomedical Science Chairs (NCBBSC).
National Council for Science and the Environment (NCSE).
National Health Council.
National Multiple Sclerosis Society.
New York-Presbyterian Hospital.
North Carolina State University.
NYU Langone Medical Center.
Ornithological Council.
Population Association of America (PAA).
Rutgers, The State University of New Jersey.
Small Business California.
Society for Industrial and Applied Mathematics (SIAM).
Society for Neuroscience (SfN).
Society for Research in Child Development (SRCD).
Society for the Study of Reproduction (SSR).
Stanford University.
SUNY Upstate Medical University.
Syracuse University.
The American Association of Immunologists (AAI).
The American Brain Coalition (ABC).
The American Physiological Society (APS).
The American Society for Cell Biology (ASCB).
The American Society of Human Genetics (ASHG).
The Council on Undergraduate Research (CUR).
The Endocrine Society.
The Ohio State University.
The Teratology Society.
Tulane University.
University of Cincinnati.
University of Maryland.
University of Maryland School of Medicine.
University of Miami.
University of Minnesota Medical School.
University of Rochester.
University of Southern California.
University of Texas Health Science Center.
University of Vermont.
University of Virginia.
University of Washington.
University of Wisconsin-Madison.
Vanderbilt University.
Washington University in St. Louis.
Weill Cornell Medical College.
Yale University School of Medicine.

ASSOCIATION OF AMERICAN UNIVERSITIES,
Washington, DC, July 6, 2009.

Hon. ADRIAN SMITH,
Ranking Member, Subcommittee on Technology and Innovation, House Science and Technology Committee, Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE SMITH: On behalf of the Association of American Universities, I write today to express support for reauthorization of the Small Business Innovative Research (SBIR) programs with the inclusion of two key provisions contained only in the House version of the bill, H.R. 2965, the Enhancing Small Business Research and Innovation Act of 2009. These provisions would maintain the current Small Business and Innovative Research set-aside at 2.5 percent and increase the ability of firms with significant amounts of venture capital to participate in the SBIR program. AAU does not support S. 1233, legislation recently marked up by the Senate Committee on Small Business and Entrepreneurship, specifically because of language it includes on these two aspects of this critically important legislation.

AAU is the association of 60 leading U.S. public and private research universities whose member institutions perform roughly 60 percent of federally funded university-based research, and award more than half of all Ph.D. degrees earned in our country. We strongly prefer H.R. 2965, as currently drafted, over its Senate counterpart, S. 1233, for two reasons. First, the House bill does not propose to increase the SBIR percentage set-aside. Like the House, we believe that there is no clear justification for such increases; especially as such increases would come at the expense of peer-reviewed basic and applied research programs at agencies such as NIH and NSF. In our view, increasing the set-aside would reduce even further the number of successful research grants that are awarded by federal research agencies.

This is not to suggest that we do not favor increasing the amount of funds going to SBIR and STTR. Our view is that the best way to increase the amount of funding available to these programs is to provide steady and sustained funding increases for federally supported research. Indeed, we hope to work with the small business community to increase research budgets across all of the major research agencies, which would result in significant funding increases for the SBIR and STTR, as well as other important research programs.

AAU also supports a second provision of H.R. 2965 that allows firms with significant venture capital funding to compete for SBIR and STTR awards. As you know, current Small Business Administration (SBA) regulations effectively disqualify small companies that have received significant venture capital investment or are owned by another company with significant venture capital investment from competing for SBIR and STIR funds. As then-NIH Director Elias Zerhouni said in a 2005 letter to the SBA, ''this rule dries up Federal funding for early stage ideas from small companies that, by attracting substantial [venture capital] funding show strong signs of likely success.'' AAU shares the view of the NRC that venture capital investment in companies seeking SBIR funding confirms the quality of those projects and would raise the quality of the applicant pool overall.

AAU strongly supports reauthorization of the SBIR and STTR programs and hopes that Congress will approve legislation similar to that approved by the House. We agree with the National Academies' assessment of these programs as being ''sound in concept and effective in practice.'' Both programs play an important role in the nation's overall innovation ecosystem by transforming cutting-edge, innovative ideas and research into viable, market-ready products for the American consumer. We strongly oppose legislation such as S. 1233, which increases the percentage of R&D funding set-aside for SBIR at the expense of other equally important research. We also favor increasing the ability of firms with significant amount of venture capital to participate in the SBIR program.

With best regards,

ROBERT M. BERDAHL,
President.

It is my hope that the House conferees will support SBIR and STTR growth through overall funding increases for our innovation agencies, instead of considering increasing the set-asides. In other words, the House today is taking the right action, precisely as they did last year.

It is extremely important for us to stand together when dealing with the Senate conferees and insist on taking this approach. This is a much better approach to take, and I congratulate the House committee on dealing with it in this way.

Mr. POLIS. Mr. Speaker, I reserve the balance of my time.

Ms. FOXX. Mr. Speaker, we have had, I think, a very good debate on this rule. We have explained why the rule should not be approved.

Very, very good amendments which were offered to this rule were not accepted. Amendments to the bill were not accepted, and we should be dealing with those amendments. We want to make sure that the money that is going to help small businesses in this country is being used as wisely as it can be. We know right now that the American people are hurting and continuing to lose jobs.

The impact of the policies of this administration and the Democratically controlled Congress have been devastating, not only to large but also to small businesses. The Obama administration and congressional Democrats

promised us earlier this year that their trillion-dollar stimulus would create jobs immediately and unemployment would not rise above 8 percent. In June alone, almost half a million jobs were lost, driving unemployment to 9.5 percent, it's highest level in almost 3 decades.

It's clear that the Democrats' trillion-dollar stimulus bill isn't working.

Every American has the right to ask where are the jobs that were promised by them. Every American has to ask on every piece of policy that we pass here, how is it going to impact jobs? How is it going to impact me as an American?

Small businesses particularly have a concern about this. We have been spending hours and hours and hours doing things like honoring sports teams and athletes for their achievements. We have honored people retiring from their jobs, universities on various anniversaries and other items that are not critical to the operations of our government.

We want to acknowledge the achievements of all of these people and all of these groups, but what we should be doing is spending time talking about what we need to be doing to bring back this economy.

But the Democrats constantly say they have the schedule, they have to adhere to it, and as a result of it, they have to limit the amendments that can be offered on the floor to these important bills.

Those are not very good excuses while the American people, I think, are hurting. They, again, have the right to ask where are the jobs that were promised, what is happening to this economy?

The American people also know we cannot tax and spend and bail our way back to a growing economy. The Democrats in this body are on the side of more government and more taxes. Small businesses, not government, are the engine of our economy.

House Republicans are on the side of the American people, and what we want to do is focus on small businesses to help put America back to work. We know that the health care bill that's going to come forward, we believe, later this week or next week, will have lots of tax increases in it that are going to finance their health, quote, reform proposal.

However, what it's going to do is have a negative impact on small businesses. As I mentioned earlier, the cap-and-tax bill, which passed here 10 days ago, will eliminate between 1 million and 7 million jobs in this country if it is enacted.

So while there is this small sop to small businesses and to the American people in the form of this bill, I am going to urge my colleagues to vote ''no'' on the rule for H.R. 2965, Enhancing Small Business Research and Innovation Act, because we can be doing better for the American people and particularly better for small businesses.

Mr. Speaker, I yield back the balance of my time.

Mr. POLIS. Mr. Speaker, if small businesses are the engine that drives our economy, then investment is the fuel. By ensuring that a portion of Federal research dollars are invested in small businesses, SBIR and STTR are fueling job creation and technological innovation. Since 1992, SBIR has issued 65,000 grants to small companies that are engaged in cutting-edge research to cure diseases, strengthen our national defense, and reduce our dependence on foreign energy sources.

This Congress has been tasked with helping American families keep their jobs through the worst economic downturn since the Great Depression. We now have an unemployment rate of 9.5 percent. While there has been disagreement and spirited debate on the best prescription to get our economy moving again, we are fortunate that we have in place programs that are time tested. Every year the SBIR program invests $2.2 billion in small businesses, helping 1,500 new firms get off the ground.

Mr. Speaker, I speak on behalf of Tech-X in Boulder; Coherent Technologies in Louisville; Community Power Corporation in Littleton; NavSys in Colorado Springs; and the many other small businesses which have benefited from the SBIR in my State of Colorado and across the country.

Again, I commend the Members and staff who have worked diligently to bring this bipartisan bill to the floor.

Mr. Speaker, as I said before and will continue to say, so much of our work thus far in Congress has moved us in the direction of creating more jobs. Whether it was passing the budget or work on health care, clean energy, education, the Recovery Act, the Green Schools bill, and even the Water Quality Investment Act created jobs. This bill is just another step on the road to recovery.

I urge a ''yes'' vote on the previous question and on the rule.

I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. FOXX. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on adoption of House Resolution 610 will be followed by 5-minute votes on motion to suspend the rules on H.R. 1275, if ordered, and motion to suspend the rules on H.R. 1945, if ordered.

The vote was taken by electronic device, and there were—yeas 236, nays 187, not voting 9, as follows:

[Roll No. 480]

YEAS—236

Abercrombie
Ackerman
Adler (NJ)
Altmire
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boucher
Boyd
Brady (PA)
Braley (IA)
Bright
Brown, Corrine
Butterfield
Capps
Capuano
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Fudge
Giffords
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Himes
Hinchey
Hinojosa
Hirono
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kissell
Kosmas
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (CO)
Marshall
Massa
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McMahon
McNerney
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller, George
Minnick
Mitchell
Mollohan
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Nye
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Payne
Perlmutter
Peters
Peterson
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Shea-Porter
Sherman
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Space
Speier
Spratt
Stark
Stupak
Sutton
Tanner
Taylor
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

NAYS—187

Aderholt
Akin
Alexander
Austria
Bachmann
Bachus
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Castle
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Courtney

Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Ehlers
Emerson
Fallin
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gingrey (GA)
Gohmert
Goodlatte
Granger
Graves
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heinrich
Heller
Herger
Hill
Hodes
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Klein (FL)
Kline (MN)
Lamborn
Lance
Latham
LaTourette
Latta
Lee (NY)
Lewis (CA)
Linder
LoBiondo
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Manzullo
Marchant
Markey (MA)
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moore (KS)
Moran (KS)
Murphy, Tim
Myrick
Neugebauer
Nunes
Olson
Paul
Paulsen
Pence
Perriello
Petri
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Radanovich
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Tsongas
Turner
Upton
Walden
Wamp
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Young (AK)
Young (FL)

NOT VOTING—9

Andrews
Barrett (SC)
Broun (GA)
Cardoza
Ellsworth
Griffith
Hensarling
Miller (NC)
Sestak

□ 1209

Messrs. SHUSTER, ROONEY, KLEIN of Florida and Mrs. BONO MACK changed their vote from ''yea'' to ''nay.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

UTAH RECREATIONAL LAND EXCHANGE ACT OF 2009

The SPEAKER pro tempore. The unfinished business is the question on suspending the rules and passing the bill, H.R. 1275, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Guam (Ms. BORDALLO) that the House suspend the rules and pass the bill, H.R. 1275, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

RECORDED VOTE

Mr. PERLMUTTER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 423, noes 0, not voting 9, as follows:

[Roll No. 481]

AYES—423

Abercrombie
Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Bachmann
Bachus
Baird
Baldwin
Barrow
Bartlett
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boccieri
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Capps
Capuano
Carnahan
Carney
Carson (IN)
Carter
Cassidy
Castle
Castor (FL)
Chaffetz
Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Coble
Coffman (CO)
Cohen
Cole
Conaway
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis (TN)
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Donnelly (IN)
Doyle
Dreier
Driehaus
Duncan
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Emerson
Engel
Eshoo
Etheridge
Fallin
Farr
Fattah
Filner
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Fudge
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Gordon (TN)
Granger
Graves
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Halvorson
Hare
Harman
Harper
Hastings (FL)
Hastings (WA)
Heinrich
Heller
Herger
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Hoekstra
Holden
Holt
Honda
Hoyer
Hunter
Inglis
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones
Jordan (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kline (MN)
Kosmas
Kratovil
Kucinich
Lamborn
Lance
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta
Lee (CA)
Lee (NY)
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Luján
Lummis
Lungren, Daniel E.
Lynch
Mack
Maffei
Maloney
Manzullo
Marchant
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul
McClintock
McCollum
McCotter
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McMahon
McMorris Rodgers
McNerney
Meek (FL)
Meeks (NY)
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murphy, Tim
Murtha
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Neugebauer
Nunes
Nye
Oberstar
Obey
Olson
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Paul
Paulsen
Payne
Pence
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (GA)
Price (NC)
Putnam
Quigley
Radanovich
Rahall
Rangel
Rehberg
Reichert
Reyes
Richardson
Rodriguez
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Ross
Rothman (NJ)
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Scalise
Schakowsky
Schauer
Schiff
Schmidt
Schock
Schrader
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Space
Speier
Spratt
Stark
Stearns
Stupak
Sullivan
Sutton
Tanner
Taylor
Teague
Terry
Thompson (CA)
Thompson (MS)
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walden
Walz
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Westmoreland
Wexler
Whitfield
Wilson (OH)
Wilson (SC)
Wittman
Wolf
Woolsey
Wu
Yarmuth
Young (AK)
Young (FL)

NOT VOTING—9

Barrett (SC)
Broun (GA)
Butterfield
Cardoza
Dingell
Ellsworth
Hensarling
Melancon
Sestak

□ 1218

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TULE RIVER TRIBE WATER DEVELOPMENT ACT

The SPEAKER pro tempore. The unfinished business is the question on suspending the rules and passing the bill, H.R. 1945.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Guam (Ms. BORDALLO) that the House suspend the rules and pass the bill, H.R. 1945.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

RECORDED VOTE

Mr. HASTINGS of Florida. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.