

***In the Senate of the United States,***

*July 13, 2009.*

*Resolved,* That the bill from the House of Representatives (H.R. 2965) entitled “An Act 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.”, do pass with the following

**AMENDMENT:**

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2 *This Act may be cited as the “SBIR/STTR Reauthor-*  
3 *ization Act of 2009”.*

4 ***SEC. 2. TABLE OF CONTENTS.***

5 *The table of contents for this Act is as follows:*

*Sec. 1. Short title.*

*Sec. 2. Table of contents.*

*Sec. 3. Definitions.*

***TITLE I—REAUTHORIZATION OF THE SBIR AND STTR PROGRAMS***

*Sec. 101. Extension of termination dates.*

*Sec. 102. Status of the Office of Technology.*

*Sec. 103. SBIR allocation increase.*

*Sec. 104. STTR allocation increase.*

- Sec. 105. SBIR and STTR award levels.*  
*Sec. 106. Agency and program collaboration.*  
*Sec. 107. Elimination of Phase II invitations.*  
*Sec. 108. Majority-venture investments in SBIR firms.*  
*Sec. 109. SBIR and STTR special acquisition preference.*  
*Sec. 110. Collaborating with Federal laboratories and research and development centers.*  
*Sec. 111. Notice requirement.*

*TITLE II—OUTREACH AND COMMERCIALIZATION INITIATIVES*

- Sec. 201. Rural and State outreach.*  
*Sec. 202. SBIR–STEM Workforce Development Grant Pilot Program.*  
*Sec. 203. Technical assistance for awardees.*  
*Sec. 204. Commercialization program at Department of Defense.*  
*Sec. 205. Commercialization Pilot Program for civilian agencies.*  
*Sec. 206. Nanotechnology initiative.*  
*Sec. 207. Accelerating cures.*

*TITLE III—OVERSIGHT AND EVALUATION*

- Sec. 301. Streamlining annual evaluation requirements.*  
*Sec. 302. Data collection from agencies for SBIR.*  
*Sec. 303. Data collection from agencies for STTR.*  
*Sec. 304. Public database.*  
*Sec. 305. Government database.*  
*Sec. 306. Accuracy in funding base calculations.*  
*Sec. 307. Continued evaluation by the National Academy of Sciences.*  
*Sec. 308. Technology insertion reporting requirements.*  
*Sec. 309. Intellectual property protections.*

*TITLE IV—POLICY DIRECTIVES*

- Sec. 401. Conforming amendments to the SBIR and the STTR Policy Directives.*  
*Sec. 402. Priorities for certain research initiatives.*  
*Sec. 403. Report on SBIR and STTR program goals.*  
*Sec. 404. Competitive selection procedures for SBIR and STTR programs.*

**1 SEC. 3. DEFINITIONS.**

**2** *In this Act—*

**3** *(1) the terms “Administration” and “Adminis-*  
**4** *trator” mean the Small Business Administration and*  
**5** *the Administrator thereof, respectively;*

**6** *(2) the terms “extramural budget”, “Federal*  
**7** *agency”, “Small Business Innovation Research Pro-*  
**8** *gram”, “SBIR”, “Small Business Technology Trans-*  
**9** *fer Program”, and “STTR” have the meanings given*

1 *such terms in section 9 of the Small Business Act (15*  
2 *U.S.C. 638); and*

3 *(3) the term “small business concern” has the*  
4 *same meaning as under section 3 of the Small Busi-*  
5 *ness Act (15 U.S.C. 632).*

6 ***TITLE I—REAUTHORIZATION OF***  
7 ***THE SBIR AND STTR PROGRAMS***

8 ***SEC. 101. EXTENSION OF TERMINATION DATES.***

9 *(a) SBIR.—Section 9(m) of the Small Business Act*  
10 *(15 U.S.C. 638(m)) is amended by striking “2008” and in-*  
11 *serting “2017”.*

12 *(b) STTR.—Section 9(n)(1)(A) of the Small Business*  
13 *Act (15 U.S.C. 638(n)(1)(A)) is amended by striking*  
14 *“2009” and inserting “2017”.*

15 ***SEC. 102. STATUS OF THE OFFICE OF TECHNOLOGY.***

16 *Section 9(b) of the Small Business Act (15 U.S.C.*  
17 *638(b)) is amended—*

18 *(1) in paragraph (7), by striking “and” at the*  
19 *end;*

20 *(2) in paragraph (8), by striking the period at*  
21 *the end and inserting “; and”;*

22 *(3) by redesignating paragraph (8) as para-*  
23 *graph (9); and*

24 *(4) by adding at the end the following:*

1           “(10) to maintain an Office of Technology to  
2 carry out the responsibilities of the Administration  
3 under this section, which shall be—

4           “(A) headed by the Assistant Administrator  
5 for Technology, who shall report directly to the  
6 Administrator; and

7           “(B) independent from the Office of Govern-  
8 ment Contracting of the Administration and suf-  
9 ficiently staffed and funded to comply with the  
10 oversight, reporting, and public database respon-  
11 sibilities assigned to the Office of Technology by  
12 the Administrator.”.

13 **SEC. 103. SBIR ALLOCATION INCREASE.**

14           Section 9(f) of the Small Business Act (15 U.S.C.  
15 638(f)) is amended—

16           (1) in paragraph (1)—

17           (A) in the matter preceding subparagraph  
18 (A), by striking “Each” and inserting “Except  
19 as provided in paragraph (2)(C), each”;

20           (B) in subparagraph (B), by striking “and”  
21 at the end; and

22           (C) by striking subparagraph (C) and in-  
23 serting the following:

24           “(C) not less than 2.5 percent of such budget  
25 in each of fiscal years 2009 and 2010;

1           “(D) not less than 2.6 percent of such budg-  
2           et in fiscal year 2011;

3           “(E) not less than 2.7 percent of such budg-  
4           et in fiscal year 2012;

5           “(F) not less than 2.8 percent of such budg-  
6           et in fiscal year 2013;

7           “(G) not less than 2.9 percent of such budg-  
8           et in fiscal year 2014;

9           “(H) not less than 3.0 percent of such budg-  
10          et in fiscal year 2015;

11          “(I) not less than 3.1 percent of such budget  
12          in fiscal year 2016;

13          “(J) not less than 3.2 percent of such budget  
14          in fiscal year 2017;

15          “(K) not less than 3.3 percent of such budg-  
16          et in fiscal year 2018;

17          “(L) not less than 3.4 percent of such budg-  
18          et in fiscal year 2019; and

19          “(M) not less than 3.5 percent of such budg-  
20          et in fiscal year 2020 and each fiscal year there-  
21          after,”; and

22          (2) in paragraph (2)—

23                 (A) by redesignating subparagraphs (A)  
24                 and (B) as clauses (i) and (ii), respectively, and  
25                 adjusting the margins accordingly;

1           (B) by striking “A Federal agency” and in-  
2           serting the following:

3           “(A) *IN GENERAL.—A Federal agency*”; and  
4           (C) by adding at the end the following:

5           “(B) *DEPARTMENT OF DEFENSE AND DE-*  
6           *PARTMENT OF ENERGY.—For the Department of*  
7           *Defense and the Department of Energy, to the*  
8           *greatest extent practicable, the percentage of the*  
9           *extramural budget in excess of 2.5 percent re-*  
10          *quired to be expended with small business con-*  
11          *cerns under subparagraphs (D) through (M) of*  
12          *paragraph (1)—*

13           “(i) *may not be used for new Phase I*  
14           *or Phase II awards; and*

15           “(ii) *shall be used for activities that*  
16           *further the readiness levels of technologies*  
17           *developed under Phase II awards, including*  
18           *conducting testing and evaluation to pro-*  
19           *motte the transition of such technologies into*  
20           *commercial or defense products, or systems*  
21           *furthering the mission needs of the Depart-*  
22           *ment of Defense or the Department of En-*  
23           *ergy, as the case may be.”.*

1 **SEC. 104. STTR ALLOCATION INCREASE.**

2 *Section 9(n)(1)(B) of the Small Business Act (15*  
3 *U.S.C. 638(n)(1)(B)) is amended—*

4 *(1) in clause (i), by striking “and” at the end;*

5 *(2) in clause (ii), by striking “thereafter.” and*  
6 *inserting “through fiscal year 2010;”; and*

7 *(3) by adding at the end the following:*

8 *“(iii) 0.4 percent for fiscal years 2011*  
9 *and 2012;*

10 *“(iv) 0.5 percent for fiscal years 2013*  
11 *and 2014; and*

12 *“(v) 0.6 percent for fiscal year 2015*  
13 *and each fiscal year thereafter.”.*

14 **SEC. 105. SBIR AND STTR AWARD LEVELS.**

15 *(a) SBIR ADJUSTMENTS.—Section 9(j)(2)(D) of the*  
16 *Small Business Act (15 U.S.C. 638(j)(2)(D)) is amended—*

17 *(1) by striking “\$100,000” and inserting*  
18 *“\$150,000”; and*

19 *(2) by striking “\$750,000” and inserting*  
20 *“\$1,000,000”.*

21 *(b) STTR ADJUSTMENTS.—Section 9(p)(2)(B)(ix) of*  
22 *the Small Business Act (15 U.S.C. 638(p)(2)(B)(ix)) is*  
23 *amended—*

24 *(1) by striking “\$100,000” and inserting*  
25 *“\$150,000”; and*

1           (2) by striking “\$750,000” and inserting  
2           “\$1,000,000”.

3           (c) *TRIENNIAL ADJUSTMENTS*.—Section 9 of the Small  
4 *Business Act (15 U.S.C. 638)* is amended—

5           (1) in subsection (j)(2)(D)—

6           (A) by striking “5 years” and inserting “3  
7           years”; and

8           (B) by striking “and programmatic consid-  
9           erations”; and

10          (2) in subsection (p)(2)(B)(ix) by striking  
11          “greater or lesser amounts to be awarded at the dis-  
12          cretion of the awarding agency,” and inserting “an  
13          adjustment for inflation of such amounts once every  
14          3 years,”.

15          (d) *LIMITATION ON CERTAIN AWARDS*.—Section 9 of  
16 *the Small Business Act (15 U.S.C. 638)* is amended by add-  
17 *ing at the end the following:*

18          “(aa) *LIMITATION ON CERTAIN AWARDS*.—

19                 “(1) *LIMITATION*.—No Federal agency may issue  
20                 an award under the SBIR program or the STTR pro-  
21                 gram if the size of the award exceeds the award guide-  
22                 lines established under this section by more than 50  
23                 percent.

24                 “(2) *MAINTENANCE OF INFORMATION*.—Partici-  
25                 pating agencies shall maintain information on



1       *awards exceeding the guidelines established under this*  
2       *section, including—*

3               “(A) *the amount of each award;*

4               “(B) *a justification for exceeding the award*  
5       *amount;*

6               “(C) *the identity and location of each*  
7       *award recipient; and*

8               “(D) *whether a recipient has received any*  
9       *venture capital investment and, if so, whether*  
10       *the recipient is majority-owned and controlled*  
11       *by multiple venture capital companies.*

12               “(3) *REPORTS.—The Administrator shall in-*  
13       *clude the information described in paragraph (2) in*  
14       *the annual report of the Administrator to Congress.*

15               “(4) *RULE OF CONSTRUCTION.—Nothing in this*  
16       *subsection shall be construed to prevent a Federal*  
17       *agency from supplementing an award under the*  
18       *SBIR program or the STTR program using funds of*  
19       *the Federal agency that are not part of the SBIR pro-*  
20       *gram or the STTR program of the Federal agency.”.*

21       **SEC. 106. AGENCY AND PROGRAM COLLABORATION.**

22       *Section 9 of the Small Business Act (15 U.S.C. 638),*  
23       *as amended by this Act, is amended by adding at the end*  
24       *the following:*

25               “(bb) *SUBSEQUENT PHASES.—*

1           “(1) *AGENCY COLLABORATION.*—A small business  
2           concern that received an award from a Federal agen-  
3           cy under this section shall be eligible to receive an  
4           award for a subsequent phase from another Federal  
5           agency, if the head of each relevant Federal agency or  
6           the relevant component of the Federal agency makes  
7           a written determination that the topics of the relevant  
8           awards are the same and both agencies report the  
9           awards to the Administrator for inclusion in the pub-  
10          lic database under subsection (k).

11           “(2) *SBIR AND STTR COLLABORATION.*—A small  
12          business concern which received an award under this  
13          section under the SBIR program or the STTR pro-  
14          gram may receive an award under this section for a  
15          subsequent phase in either the SBIR program or the  
16          STTR program and the participating agency or  
17          agencies shall report the awards to the Administrator  
18          for inclusion in the public database under subsection  
19          (k).”.

20 **SEC. 107. ELIMINATION OF PHASE II INVITATIONS.**

21          (a) *IN GENERAL.*—Section 9(e) of the Small Business  
22          Act (15 U.S.C. 638(e)) is amended—

23                 (1) in paragraph (4)(B), by striking “to further”  
24                 and inserting: “which shall not include any invita-  
25                 tion, pre-screening, pre-selection, or down-selection

1 *process for eligibility for the second phase, that will*  
2 *further”;* and

3 (2) *in paragraph (6)(B), by striking “to further*  
4 *develop proposed ideas to” and inserting “which shall*  
5 *not include any invitation, pre-screening, pre-selec-*  
6 *tion, or down-selection process for eligibility for the*  
7 *second phase, that will further develop proposals*  
8 *that”.*

9 (b) *TECHNICAL AND CONFORMING AMENDMENTS.—*  
10 *The Small Business Act (15 U.S.C. 638) is amended—*

11 (1) *in section 9—*

12 (A) *in subsection (e)—*

13 (i) *in paragraph (8), by striking*  
14 *“and” at the end;*

15 (ii) *in paragraph (9)—*

16 (I) *by striking “the second or the*  
17 *third phase” and inserting “Phase II*  
18 *or Phase III”;* and

19 (II) *by striking the period at the*  
20 *end and inserting a semicolon; and*

21 (iii) *by adding at the end the fol-*  
22 *lowing:*

23 “(10) *the term ‘Phase I’ means—*

24 “(A) *with respect to the SBIR program, the*  
25 *first phase described in paragraph (4)(A); and*

1           “(B) with respect to the STTR program, the  
2           first phase described in paragraph (6)(A);

3           “(11) the term ‘Phase II’ means—

4           “(A) with respect to the SBIR program, the  
5           second phase described in paragraph (4)(B); and

6           “(B) with respect to the STTR program, the  
7           second phase described in paragraph (6)(B); and

8           “(12) the term ‘Phase III’ means—

9           “(A) with respect to the SBIR program, the  
10          third phase described in paragraph (4)(C); and

11          “(B) with respect to the STTR program, the  
12          third phase described in paragraph (6)(C).”;

13          (B) in subsection (j)—

14                 (i) in paragraph (1)(B), by striking  
15                 “phase two” and inserting “Phase II”;

16                 (ii) in paragraph (2)—

17                         (I) in subparagraph (B)—

18                                 (aa) by striking “the third  
19                                 phase” each place it appears and  
20                                 inserting “Phase III”; and

21                                 (bb) by striking “the second  
22                                 phase” and inserting “Phase II”;

23                         (II) in subparagraph (D)—

1                   (aa) by striking “the first  
2                   phase” and inserting “Phase I”;  
3                   and

4                   (bb) by striking “the second  
5                   phase” and inserting “Phase II”;

6                   (III) in subparagraph (F), by  
7                   striking “the third phase” and insert-  
8                   ing “Phase III”;

9                   (IV) in subparagraph (G)—

10                   (aa) by striking “the first  
11                   phase” and inserting “Phase I”;  
12                   and

13                   (bb) by striking “the second  
14                   phase” and inserting “Phase II”;  
15                   and

16                   (V) in subparagraph (H)—

17                   (aa) by striking “the first  
18                   phase” and inserting “Phase I”;

19                   (bb) by striking “second  
20                   phase” each place it appears and  
21                   inserting “Phase II”; and

22                   (cc) by striking “third  
23                   phase” and inserting “Phase III”;  
24                   and

25                   (iii) in paragraph (3)—

1 (I) in subparagraph (A)—

2 (aa) by striking “the first  
3 phase (as described in subsection  
4 (e)(4)(A))” and inserting “Phase  
5 I”;

6 (bb) by striking “the second  
7 phase (as described in subsection  
8 (e)(4)(B))” and inserting “Phase  
9 II”; and

10 (cc) by striking “the third  
11 phase (as described in subsection  
12 (e)(4)(C))” and inserting “Phase  
13 III”; and

14 (II) in subparagraph (B), by  
15 striking “second phase” and inserting  
16 “Phase II”;

17 (C) in subsection (k)—

18 (i) by striking “first phase” each place  
19 it appears and inserting “Phase I”; and

20 (ii) by striking “second phase” each  
21 place it appears and inserting “Phase II”;

22 (D) in subsection (l)(2)—

23 (i) by striking “the first phase” and  
24 inserting “Phase I”; and

1                   (ii) by striking “the second phase” and  
2                   inserting “Phase II”;

3                   (E) in subsection (o)(13)—

4                   (i) in subparagraph (B), by striking  
5                   “second phase” and inserting “Phase II”;  
6                   and

7                   (ii) in subparagraph (C), by striking  
8                   “third phase” and inserting “Phase III”;

9                   (F) in subsection (p)—

10                   (i) in paragraph (2)(B)—

11                   (I) in clause (vi)—

12                   (aa) by striking “the second  
13                   phase” and inserting “Phase II”;  
14                   and

15                   (bb) by striking “the third  
16                   phase” and inserting “Phase III”;  
17                   and

18                   (II) in clause (ix)—

19                   (aa) by striking “the first  
20                   phase” and inserting “Phase I”;  
21                   and

22                   (bb) by striking “the second  
23                   phase” and inserting “Phase II”;  
24                   and

25                   (ii) in paragraph (3)—

1                   (I) by striking “the first phase (as  
2                   described in subsection (e)(6)(A))” and  
3                   inserting “Phase I”;

4                   (II) by striking “the second phase  
5                   (as described in subsection (e)(6)(B))”  
6                   and inserting “Phase II”; and

7                   (III) by striking “the third phase  
8                   (as described in subsection (e)(6)(A))”  
9                   and inserting “Phase III”;

10                  (G) in subsection (q)(3)—

11                   (i) in subparagraph (A)—

12                   (I) in the subparagraph heading,  
13                   by striking “FIRST PHASE” and insert-  
14                   ing “PHASE I”; and

15                   (II) by striking “first phase” and  
16                   inserting “Phase I”; and

17                   (ii) in subparagraph (B)—

18                   (I) in the subparagraph heading,  
19                   by striking “SECOND PHASE” and in-  
20                   serting “PHASE II”; and

21                   (II) by striking “second phase”  
22                   and inserting “Phase II”;

23                  (H) in subsection (r)—



1                   (i) *in the subsection heading, by striking*  
2                   *“THIRD PHASE” and inserting “PHASE*  
3                   *III”;*

4                   (ii) *in paragraph (1)—*

5                         (I) *in the first sentence—*

6                             (aa) *by striking “for the sec-*  
7                             *ond phase” and inserting “for*  
8                             *Phase II”;*

9                             (bb) *by striking “third*  
10                            *phase” and inserting “Phase III”;*  
11                            *and*

12                            (cc) *by striking “second*  
13                            *phase period” and inserting*  
14                            *“Phase II period”;* *and*

15                         (II) *in the second sentence—*

16                             (aa) *by striking “second*  
17                             *phase” and inserting “Phase II”;*  
18                             *and*

19                             (bb) *by striking “third*  
20                             *phase” and inserting “Phase III”;*  
21                             *and*

22                   (iii) *in paragraph (2), by striking*  
23                   *“third phase” and inserting “Phase III”;*  
24                   *and*

1           (I) in subsection (u)(2)(B), by striking “the  
2           first phase” and inserting “Phase I”;

3           (2) in section 34—

4           (A) in subsection (c)(2)(B)(ii), by striking  
5           “first phase and second phase SBIR awards”  
6           and inserting “Phase I and Phase II SBIR  
7           awards (as defined in section 9(e))”; and

8           (B) in subsection (e)(2)(A)—

9           (i) in clause (i), by striking “first  
10           phase awards” and all that follows and in-  
11           serting “Phase I awards (as defined in sec-  
12           tion 9(e));”; and

13           (ii) by striking “first phase” each  
14           place it appears and inserting “Phase I”;  
15           and

16           (3) in section 35(c)(2)(B)(vii), by striking “third  
17           phase” and inserting “Phase III”.

18 **SEC. 108. MAJORITY-VENTURE INVESTMENTS IN SBIR**  
19 **FIRMS.**

20           (a) *IN GENERAL.*—Section 9 of the Small Business Act  
21 (15 U.S.C. 638), as amended by this Act, is amended by  
22 adding at the end the following:

23           “(cc) **MAJORITY-VENTURE INVESTMENTS IN SBIR**  
24 **FIRMS.**—

25           “(1) **AUTHORITY AND DETERMINATION.**—

1           “(A) *IN GENERAL.*—Upon a written deter-  
2           mination provided not later than 30 days in ad-  
3           vance to the Administrator and to the Committee  
4           on Small Business and Entrepreneurship of the  
5           Senate and the Committee on Small Business of  
6           the House of Representatives—

7                   “(i) the Director of the National Insti-  
8                   tutes of Health may award not more than  
9                   18 percent of the SBIR funds of the Na-  
10                  tional Institutes of Health allocated in ac-  
11                  cordance with this Act, in the first full fis-  
12                  cal year beginning after the date of enact-  
13                  ment of this subsection, and each fiscal year  
14                  thereafter, to small business concerns that  
15                  are owned in majority part by venture cap-  
16                  ital companies and that satisfy the quali-  
17                  fication requirements under paragraph (2)  
18                  through competitive, merit-based procedures  
19                  that are open to all eligible small business  
20                  concerns; and

21                   “(ii) the head of any other Federal  
22                   agency participating in the SBIR program  
23                   may award not more than 8 percent of the  
24                   SBIR funds of the Federal agency allocated  
25                   in accordance with this Act, in the first full

1           *fiscal year beginning after the date of enact-*  
2           *ment of this subsection, and each fiscal year*  
3           *thereafter, to small business concerns that*  
4           *are majority owned by venture capital com-*  
5           *panies and that satisfy the qualification re-*  
6           *quirements under paragraph (2) through*  
7           *competitive, merit-based procedures that are*  
8           *open to all eligible small business concerns.*

9           “(B) *DETERMINATION.*—*A written deter-*  
10          *mination made under subparagraph (A) shall*  
11          *explain how the use of the authority under that*  
12          *subparagraph will induce additional venture*  
13          *capital funding of small business innovations,*  
14          *substantially contribute to the mission of the*  
15          *funding Federal agency, demonstrate a need for*  
16          *public research, and otherwise fulfill the capital*  
17          *needs of small business concerns for additional*  
18          *financing for the SBIR project.*

19          “(2) *QUALIFICATION REQUIREMENTS.*—*The Ad-*  
20          *ministrator shall establish requirements relating to*  
21          *the affiliation by small business concerns with venture*  
22          *capital companies, which may not exclude a United*  
23          *States small business concern from participation in*  
24          *the program under paragraph (1) on the basis that*  
25          *the small business concern is owned in majority part*

1 *by, or controlled by, more than 1 United States ven-*  
2 *ture capital company, so long as no single venture*  
3 *capital company owns more than 49 percent of the*  
4 *small business concern.*

5 “(3) *REGISTRATION.*—*A small business concern*  
6 *that is majority owned and controlled by multiple*  
7 *venture capital companies and qualified for partici-*  
8 *pation in the program authorized under paragraph*  
9 *(1) shall—*

10 “(A) *register with the Administrator on the*  
11 *date that the small business concern submits an*  
12 *application for an award under the SBIR pro-*  
13 *gram; and*

14 “(B) *indicate whether the small business*  
15 *concern is registered under subparagraph (A) in*  
16 *any SBIR proposal.*

17 “(4) *COMPLIANCE.*—*A Federal agency described*  
18 *in paragraph (1) shall collect data regarding the*  
19 *number and dollar amounts of phase I, phase II, and*  
20 *all other categories of awards under the SBIR pro-*  
21 *gram, and the Administrator shall report on the data*  
22 *and the compliance of each such Federal agency with*  
23 *the maximum amounts under paragraph (1) as part*  
24 *of the annual report by the Administration under*  
25 *subsection (b)(7).*

1           “(5) *ENFORCEMENT.*—*If a Federal agency*  
2           *awards more than the amount authorized under para-*  
3           *graph (1) for a purpose described in paragraph (1),*  
4           *the amount awarded in excess of the amount author-*  
5           *ized under paragraph (1) shall be transferred to the*  
6           *funds for general SBIR programs from the non-SBIR*  
7           *research and development funds of the Federal agency*  
8           *within 60 days of the date on which the Federal agen-*  
9           *cy awarded more than the amount authorized under*  
10          *paragraph (1) for a purpose described in paragraph*  
11          *(1).”.*

12          *(b) TECHNICAL AND CONFORMING AMENDMENT.*—*Sec-*  
13          *tion 3 of the Small Business Act (15 U.S.C. 632) is amend-*  
14          *ed by adding at the end the following:*

15          “(t) *VENTURE CAPITAL COMPANY.*—*In this Act, the*  
16          *term ‘venture capital company’ means an entity described*  
17          *in clause (i), (v), or (vi) of section 121.103(b)(5) of title*  
18          *13, Code of Federal Regulations (or any successor thereto).”.*

19          *(c) ASSISTANCE FOR DETERMINING AFFILIATES.*—*Not*  
20          *later than 30 days after the date of enactment of this Act,*  
21          *the Administrator shall post on the website of the Adminis-*  
22          *tration (with a direct link displayed on the homepage of*  
23          *the website of the Administration or the SBIR website of*  
24          *the Administration)—*

1           (1) a clear explanation of the SBIR affiliation  
2 rules under part 121 of title 13, Code of Federal Reg-  
3 ulations; and

4           (2) contact information for officers or employees  
5 of the Administration who—

6                 (A) upon request, shall review an issue re-  
7 lating to the rules described in paragraph (1);  
8 and

9                 (B) shall respond to a request under sub-  
10 paragraph (A) not later than 20 business days  
11 after the date on which the request is received.

12 **SEC. 109. SBIR AND STTR SPECIAL ACQUISITION PREF-**  
13 **ERENCE.**

14           Section 9(r) of the Small Business Act (15 U.S.C.  
15 638(r)) is amended by adding at the end the following:

16                 “(4) PHASE III AWARDS.—To the greatest extent  
17 practicable, Federal agencies and Federal prime con-  
18 tractors shall issue Phase III awards relating to tech-  
19 nology, including sole source awards, to the SBIR  
20 and STTR award recipients that developed the tech-  
21 nology.”.

1 **SEC. 110. COLLABORATING WITH FEDERAL LABORATORIES**  
2 **AND RESEARCH AND DEVELOPMENT CEN-**  
3 **TERS.**

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

7 “(dd) *COLLABORATING WITH FEDERAL LABORA-*  
8 *TORIES AND RESEARCH AND DEVELOPMENT CENTERS.—*

9 “(1) *AUTHORIZATION.—Subject to the limita-*  
10 *tions under this section, the head of each partici-*  
11 *peating Federal agency may make SBIR and STTR*  
12 *awards to any eligible small business concern that—*

13 “(A) *intends to enter into an agreement*  
14 *with a Federal laboratory or federally funded re-*  
15 *search and development center for portions of the*  
16 *activities to be performed under that award; or*

17 “(B) *has entered into a cooperative research*  
18 *and development agreement (as defined in sec-*  
19 *tion 12(d) of the Stevenson-Wydler Technology*  
20 *Innovation Act of 1980 (15 U.S.C. 3710a(d))*  
21 *with a Federal laboratory.*

22 “(2) *PROHIBITION.—No Federal agency shall—*

23 “(A) *condition an SBIR or STTR award*  
24 *upon entering into agreement with any Federal*  
25 *laboratory or any federally funded laboratory or*  
26 *research and development center for any portion*



1           *of the activities to be performed under that*  
2           *award;*

3           “(B) approve an agreement between a small  
4           business concern receiving a SBIR or STTR  
5           award and a Federal laboratory or federally  
6           funded laboratory or research and development  
7           center, if the small business concern performs a  
8           lesser portion of the activities to be performed  
9           under that award than required by this section  
10          and by the SBIR Policy Directive and the STTR  
11          Policy Directive of the Administrator; or

12          “(C) approve an agreement that violates  
13          any provision, including any data rights protec-  
14          tions provision, of this section or the SBIR and  
15          the STTR Policy Directives.

16          “(3) IMPLEMENTATION.—Not later than 180  
17          days after the date of enactment of this subsection, the  
18          Administrator shall modify the SBIR Policy Direc-  
19          tive and the STTR Policy Directive issued under this  
20          section to ensure that small business concerns—

21                 “(A) have the flexibility to use the resources  
22                 of the Federal laboratories and federally funded  
23                 research and development centers; and

24                 “(B) are not mandated to enter into agree-  
25                 ment with any Federal laboratory or any feder-

1           *ally funded laboratory or research and develop-*  
 2           *ment center as a condition of an award.”.*

3 **SEC. 111. NOTICE REQUIREMENT.**

4           *The head of any Federal agency involved in a case or*  
 5 *controversy before any Federal judicial or administrative*  
 6 *tribunal concerning the SBIR program or the STTR pro-*  
 7 *gram shall provide timely notice, as determined by the Ad-*  
 8 *ministrator, of the case or controversy to the Administrator.*

9 **TITLE II—OUTREACH AND COM-**  
 10 **MERCIALIZATION                   INITIA-**  
 11 **TIVES**

12 **SEC. 201. RURAL AND STATE OUTREACH.**

13           *(a) OUTREACH.—Section 9 of the Small Business Act*  
 14 *(15 U.S.C. 638) is amended by inserting after subsection*  
 15 *(r) the following:*

16           “(s) **OUTREACH.**—

17                   “(1) **DEFINITION OF ELIGIBLE STATE.**—*In this*  
 18 *subsection, the term ‘eligible State’ means a State—*

19                           “(A) *for which the total value of contracts*  
 20 *awarded to the State under this section during*  
 21 *the most recent fiscal year for which data is*  
 22 *available was less than \$5,000,000; and*

23                           “(B) *that certifies to the Administrator that*  
 24 *the State will, upon receipt of assistance under*  
 25 *this subsection, provide matching funds from*

1           *non-Federal sources in an amount that is not*  
2           *less than 50 percent of the amount provided*  
3           *under this subsection.*

4           “(2) *PROGRAM AUTHORITY.*—*Of amounts made*  
5           *available to carry out this section for each of fiscal*  
6           *years 2010 through 2014, the Administrator may ex-*  
7           *pend with eligible States not more than \$5,000,000 in*  
8           *each such fiscal year in order to increase the partici-*  
9           *ipation of small business concerns located in those*  
10          *States in the programs under this section.*

11          “(3) *AMOUNT OF ASSISTANCE.*—*The amount of*  
12          *assistance provided to an eligible State under this*  
13          *subsection in any fiscal year—*

14                  “(A) *shall be equal to not more than 50 per-*  
15                  *cent of the total amount of matching funds from*  
16                  *non-Federal sources provided by the State; and*

17                  “(B) *shall not exceed \$100,000.*

18          “(4) *USE OF ASSISTANCE.*—*Assistance provided*  
19          *to an eligible State under this subsection shall be used*  
20          *by the State, in consultation with State and local de-*  
21          *partments and agencies, for programs and activities*  
22          *to increase the participation of small business con-*  
23          *cerns located in the State in the programs under this*  
24          *section, including—*

1           “(A) the establishment of quantifiable per-  
2           formance goals, including goals relating to—

3                   “(i) the number of program awards  
4                   under this section made to small business  
5                   concerns in the State; and

6                   “(ii) the total amount of Federal re-  
7                   search and development contracts awarded  
8                   to small business concerns in the State;

9           “(B) the provision of competition outreach  
10           support to small business concerns in the State  
11           that are involved in research and development;  
12           and

13                   “(C) the development and dissemination of  
14                   educational and promotional information relat-  
15                   ing to the programs under this section to small  
16                   business concerns in the State.”.

17           (b) *FEDERAL AND STATE PROGRAM EXTENSION.*—  
18           Section 34 of the Small Business Act (15 U.S.C. 657d) is  
19           amended—

20                   (1) in subsection (h), by striking “2001 through  
21                   2005” each place it appears and inserting “2010  
22                   through 2014”; and

23                   (2) in subsection (i), by striking “2005” and in-  
24                   serting “2014”.

1       (c) *MATCHING REQUIREMENTS.*—Section 34(e)(2) of  
2 *the Small Business Act (15 U.S.C. 657d(e)(2)) is amend-*  
3 *ed—*

4           (1) *in subparagraph (A)—*

5               (A) *in clause (i), by striking “50 cents” and*  
6 *inserting “35 cents”; and*

7               (B) *in clause (iii), by striking “75 cents”*  
8 *and inserting “50 cents”;*

9           (2) *in subparagraph (B), by striking “50 cents”*  
10 *and inserting “35 cents”;*

11           (3) *by redesignating subparagraphs (C) and (D)*  
12 *as subparagraphs (D) and (E), respectively; and*

13           (4) *by inserting after subparagraph (B) the fol-*  
14 *lowing:*

15               “(C) *RURAL AREAS.*—

16                   “(i) *IN GENERAL.*—*Except as provided*  
17 *in clause (ii), the non-Federal share of the*  
18 *cost of the activity carried out using an*  
19 *award or under a cooperative agreement*  
20 *under this section shall be 35 cents for each*  
21 *Federal dollar that will be directly allocated*  
22 *by a recipient described in paragraph (A)*  
23 *to serve small business concerns located in*  
24 *a rural area.*

1                   “(i) *ENHANCED RURAL AWARDS.*—*For*  
2                   *a recipient located in a rural area that is*  
3                   *located in a State described in subpara-*  
4                   *graph (A)(i), the non-Federal share of the*  
5                   *cost of the activity carried out using an*  
6                   *award or under a cooperative agreement*  
7                   *under this section shall be 15 cents for each*  
8                   *Federal dollar that will be directly allocated*  
9                   *by a recipient described in paragraph (A)*  
10                   *to serve small business concerns located in*  
11                   *the rural area.*

12                   “(iii) *DEFINITION OF RURAL AREA.*—  
13                   *In this subparagraph, the term ‘rural area’*  
14                   *has the meaning given that term in section*  
15                   *1393(a)(2)) of the Internal Revenue Code of*  
16                   *1986.”.*

17 **SEC. 202. SBIR–STEM WORKFORCE DEVELOPMENT GRANT**  
18 **PILOT PROGRAM.**

19                   (a) *PILOT PROGRAM ESTABLISHED.*—*From amounts*  
20 *made available to carry out this section, the Administrator*  
21 *shall establish a SBIR–STEM Workforce Development*  
22 *Grant Pilot Program to encourage the business community*  
23 *to provide workforce development opportunities for college*  
24 *students, in the fields of science, technology, engineering,*

1 *and math (in this section referred to as “STEM college stu-*  
2 *dents”), by providing a SBIR bonus grant.*

3 (b) *ELIGIBLE ENTITIES DEFINED.—In this section the*  
4 *term “eligible entity” means a grantee receiving a grant*  
5 *under the SBIR Program on the date of the bonus grant*  
6 *under subsection (a) that provides an internship program*  
7 *for STEM college students.*

8 (c) *AWARDS.—An eligible entity shall receive a bonus*  
9 *grant equal to 10 percent of either a Phase I or Phase II*  
10 *grant, as applicable, with a total award maximum of not*  
11 *more than \$10,000 per year.*

12 (d) *EVALUATION.—Following the fourth year of fund-*  
13 *ing under this section, the Administrator shall submit a*  
14 *report to Congress on the results of the SBIR–STEM Work-*  
15 *force Development Grant Pilot Program.*

16 (e) *AUTHORIZATION OF APPROPRIATIONS.—There are*  
17 *authorized to be appropriated to carry out this section—*

18 (1) *\$1,000,000 for fiscal year 2011;*

19 (2) *\$1,000,000 for fiscal year 2012;*

20 (3) *\$1,000,000 for fiscal year 2013;*

21 (4) *\$1,000,000 for fiscal year 2014; and*

22 (5) *\$1,000,000 for fiscal year 2015.*

23 **SEC. 203. TECHNICAL ASSISTANCE FOR AWARDEES.**

24 *Section 9(q)(3) of the Small Business Act (15 U.S.C.*  
25 *638(q)(3)) is amended—*

1           (1) in subparagraph (A), by striking “\$4,000”  
2           and inserting “\$5,000”;

3           (2) in subparagraph (B)—

4                 (A) by striking “, with funds available from  
5                 their SBIR awards,”; and

6                 (B) by striking “\$4,000 per year” and in-  
7                 serting “\$5,000 per year, which shall be in addi-  
8                 tion to the amount of the recipient’s award”;  
9                 and

10           (3) by adding at the end the following:

11                 “(C) *FLEXIBILITY.*—In carrying out sub-  
12                 paragraphs (A) and (B), each Federal agency  
13                 shall provide the allowable amounts to a recipi-  
14                 ent that meets the eligibility requirements under  
15                 the applicable subparagraph, if the recipient re-  
16                 quests to seek technical assistance from an indi-  
17                 vidual or entity other than the vendor selected  
18                 under paragraph (2) by the Federal agency.

19                 “(D) *LIMITATION.*—A Federal agency may  
20                 not—

21                         “(i) use the amounts authorized under  
22                         subparagraph (A) or (B) unless the vendor  
23                         selected under paragraph (2) provides the  
24                         technical assistance to the recipient; or



1                   “(ii) enter a contract with a vendor  
2                   under paragraph (2) under which the  
3                   amount provided for technical assistance is  
4                   based on total number of Phase I or Phase  
5                   II awards.”.

6 **SEC. 204. COMMERCIALIZATION PROGRAM AT DEPARTMENT**  
7                   **OF DEFENSE.**

8                   Section 9(y) of the Small Business Act (15 U.S.C.  
9 638(y)) is amended—

10                   (1) in the subsection heading, by striking  
11                   “PILOT”;

12                   (2) by striking “Pilot” each place that term ap-  
13                   pears;

14                   (3) in paragraph (1)—

15                   (A) by inserting “or Small Business Tech-  
16                   nology Transfer Program” after “Small Business  
17                   Innovation Research Program”; and

18                   (B) by adding at the end the following:  
19                   “The authority to create and administer a Com-  
20                   mercialization Program under this subsection  
21                   may not be construed to eliminate or replace any  
22                   other SBIR program or STTR program that en-  
23                   hances the insertion or transition of SBIR or  
24                   STTR technologies, including any such program  
25                   in effect on the date of enactment of the National

1           *Defense Authorization Act for Fiscal Year 2006*  
2           *(Public Law 109–163; 119 Stat. 3136).”;*

3           *(4) in paragraph (2), by inserting “or Small*  
4           *Business Technology Transfer Program” after “Small*  
5           *Business Innovation Research Program”;*

6           *(5) in paragraph (4), by inserting “or Small*  
7           *Business Technology Transfer Program” after “Small*  
8           *Business Innovation Research Program”;*

9           *(6) by striking paragraph (6);*

10          *(7) by redesignating paragraph (5) as para-*  
11          *graph (7); and*

12          *(8) by inserting after paragraph (4) the fol-*  
13          *lowing:*

14            “(5) *INSERTION INCENTIVES.—For any contract*  
15            *with a value of not less than \$100,000,000, the Sec-*  
16            *retary of Defense is authorized to—*

17            “(A) *establish goals for the transition of*  
18            *Phase III technologies in subcontracting plans;*  
19            *and*

20            “(B) *require a prime contractor on such a*  
21            *contract to report the number and dollar amount*  
22            *of contracts entered into by that prime con-*  
23            *tractor for Phase III SBIR or STTR projects.*

24            “(6) *GOAL FOR SBIR AND STTR TECHNOLOGY IN-*  
25            *sertion.—The Secretary of Defense shall—*

1           “(A) set a goal to increase the number of  
2           Phase II SBIR contracts and the number of  
3           Phase II STTR contracts awarded by that Sec-  
4           retary that lead to technology transition into  
5           programs of record or fielded systems;

6           “(B) use incentives in effect on the date of  
7           enactment of the SBIR/STTR Reauthorization  
8           Act of 2009, or create new incentives, to encour-  
9           age agency program managers and prime con-  
10          tractors to meet the goal under subparagraph  
11          (A); and

12          “(C) include in the annual report to Con-  
13          gress the percentage of contracts described in sub-  
14          paragraph (A) awarded by that Secretary, and  
15          information on the ongoing status of projects  
16          funded through the Commercialization Program  
17          and efforts to transition these technologies into  
18          programs of record or fielded systems.”.

19 **SEC. 205. COMMERCIALIZATION PILOT PROGRAM FOR CI-**  
20 **VILIAN AGENCIES.**

21          Section 9 of the Small Business Act (15 U.S.C. 638),  
22 as amended by this Act, is amended by adding at the end  
23 the following:

24          “(ee) PILOT PROGRAM.—

1           “(1) *AUTHORIZATION.*—*The head of each covered*  
2           *Federal agency may set aside not more than 10 per-*  
3           *cent of the SBIR and STTR funds of such agency for*  
4           *further technology development, testing, and evalua-*  
5           *tion of SBIR and STTR Phase II technologies.*

6           “(2) *APPLICATION BY FEDERAL AGENCY.*—

7           “(A) *IN GENERAL.*—*A covered Federal*  
8           *agency may not establish a pilot program unless*  
9           *such agency makes a written application to the*  
10           *Administrator, not later than 90 days before to*  
11           *the first day of the fiscal year in which the pilot*  
12           *program is to be established, that describes a*  
13           *compelling reason that additional investment in*  
14           *SBIR or STTR technologies is necessary, includ-*  
15           *ing unusually high regulatory, systems integra-*  
16           *tion, or other costs relating to development or*  
17           *manufacturing of identifiable, highly promising*  
18           *small business technologies or a class of such*  
19           *technologies expected to substantially advance the*  
20           *mission of the agency.*

21           “(B) *DETERMINATION.*—*The Administrator*  
22           *shall—*

23           “(i) *make a determination regarding*  
24           *an application submitted under subpara-*  
25           *graph (A) not later than 30 days before the*

1           *first day of the fiscal year for which the ap-*  
2           *plication is submitted;*

3           “(ii) *publish the determination in the*  
4           *Federal Register; and*

5           “(iii) *make a copy of the determina-*  
6           *tion and any related materials available to*  
7           *the Committee on Small Business and En-*  
8           *trepreneurship of the Senate and the Com-*  
9           *mittee on Small Business of the House of*  
10          *Representatives.*

11          “(3) *MAXIMUM AMOUNT OF AWARD.—The head of*  
12          *a Federal agency may not make an award under a*  
13          *pilot program in excess of 3 times the dollar amounts*  
14          *generally established for Phase II awards under sub-*  
15          *section (j)(2)(D) or (p)(2)(B)(ix).*

16          “(4) *MATCHING.—The head of a Federal agency*  
17          *may not make an award under a pilot program for*  
18          *SBIR or STTR Phase II technology that will be ac-*  
19          *quired by the Federal Government unless new private,*  
20          *Federal non-SBIR, or Federal non-STTR funding*  
21          *that at least matches the award from the Federal*  
22          *agency is provided for the SBIR or STTR Phase II*  
23          *technology.*

24          “(5) *ELIGIBILITY FOR AWARD.—The head of a*  
25          *Federal agency may make an award under a pilot*

1     *program to any applicant that is eligible to receive*  
2     *a Phase III award related to technology developed in*  
3     *Phase II of an SBIR or STTR project.*

4             “(6) *REGISTRATION.*—*Any applicant that re-*  
5     *ceives an award under a pilot program shall register*  
6     *with the Administrator in a registry that is available*  
7     *to the public.*

8             “(7) *TERMINATION.*—*The authority to establish*  
9     *a pilot program under this section expires at the end*  
10    *of fiscal year 2014.*

11            “(8) *DEFINITIONS.*—*In this section—*

12                    “(A) *the term ‘covered Federal agency’—*

13                            “(i) *means a Federal agency partici-*  
14                            *parting in the SBIR program or the STTR*  
15                            *program; and*

16                            “(ii) *does not include the Department*  
17                            *of Defense; and*

18                            “(B) *the term ‘pilot program’ means the*  
19                            *program established under paragraph (1).”.*

20    **SEC. 206. NANOTECHNOLOGY INITIATIVE.**

21            (a) *IN GENERAL.*—*Section 9 of the Small Business Act*  
22    *(15 U.S.C. 638), as amended by this Act, is amended by*  
23    *adding at the end the following:*

24                    “(ff) *NANOTECHNOLOGY INITIATIVE.*—*Each Federal*  
25    *agency participating in the SBIR or STTR program shall*

1 *encourage the submission of applications for support of*  
2 *nanotechnology related projects to such program.”.*

3 *(b) SUNSET.—Effective October 1, 2014, subsection (ff)*  
4 *of the Small Business Act, as added by subsection (a) of*  
5 *this section, is repealed.*

6 **SEC. 207. ACCELERATING CURES.**

7 *The Small Business Act (15 U.S.C. 631 et seq.) is*  
8 *amended—*

9 *(1) by redesignating section 44 as section 45;*

10 *and*

11 *(2) by inserting after section 43 the following:*

12 **“SEC. 44. SMALL BUSINESS INNOVATION RESEARCH PRO-**  
13 **GRAM.**

14 *“(a) NIH CURES PILOT.—*

15 *“(1) ESTABLISHMENT.—An independent advi-*  
16 *sory board shall be established at the National Acad-*  
17 *emy of Sciences (in this section referred to as the ‘ad-*  
18 *visory board’) to conduct periodic evaluations of the*  
19 *SBIR program (as that term is defined in section 9)*  
20 *of each of the National Institutes of Health (referred*  
21 *to in this section as the ‘NIH’) institutes and centers*  
22 *for the purpose of improving the management of the*  
23 *SBIR program through data-driven assessment.*

24 *“(2) MEMBERSHIP.—*

1           “(A) *IN GENERAL.*—*The advisory board*  
2           *shall consist of—*

3                     “(i) *the Director of the NIH;*

4                     “(ii) *the Director of the SBIR program*  
5                     *of the NIH;*

6                     “(iii) *senior NIH agency managers, se-*  
7                     *lected by the Director of NIH;*

8                     “(iv) *industry experts, selected by the*  
9                     *Council of the National Academy of*  
10                    *Sciences in consultation with the Associate*  
11                    *Administrator for Technology of the Admin-*  
12                    *istration and the Director of the Office of*  
13                    *Science and Technology Policy; and*

14                    “(v) *owners or operators of small busi-*  
15                    *ness concerns that have received an award*  
16                    *under the SBIR program of the NIH, se-*  
17                    *lected by the Associate Administrator for*  
18                    *Technology of the Administration.*

19           “(B) *NUMBER OF MEMBERS.*—*The total*  
20           *number of members selected under clauses (iii),*  
21           *(iv), and (v) of subparagraph (A) shall not ex-*  
22           *ceed 10.*

23           “(C) *EQUAL REPRESENTATION.*—*The total*  
24           *number of members of the advisory board selected*  
25           *under clauses (i), (ii), (iii), and (iv) of subpara-*



1           *graph (A) shall be equal to the number of mem-*  
2           *bers of the advisory board selected under sub-*  
3           *paragraph (A)(v).*

4           “(b) *ADDRESSING DATA GAPS.*—*In order to enhance*  
5           *the evidence-base guiding SBIR program decisions and*  
6           *changes, the Director of the SBIR program of the NIH shall*  
7           *address the gaps and deficiencies in the data collection con-*  
8           *cerns identified in the 2007 report of the National Acad-*  
9           *emies of Science entitled ‘An Assessment of the Small Busi-*  
10          *ness Innovation Research Program at the NIH’.*

11          “(c) *PILOT PROGRAM.*—

12           “(1) *IN GENERAL.*—*The Director of the SBIR*  
13          *program of the NIH may initiate a pilot program,*  
14          *under a formal mechanism for designing, imple-*  
15          *menting, and evaluating pilot programs, to spur in-*  
16          *novation and to test new strategies that may enhance*  
17          *the development of cures and therapies.*

18           “(2) *CONSIDERATIONS.*—*The Director of the*  
19          *SBIR program of the NIH may consider conducting*  
20          *a pilot program to include individuals with successful*  
21          *SBIR program experience in study sections, hiring*  
22          *individuals with small business development experi-*  
23          *ence for staff positions, separating the commercial*  
24          *and scientific review processes, and examining the*

1       *impact of the trend toward larger awards on the over-*  
2       *all program.*

3       “(d) *REPORT TO CONGRESS.—The Director of the NIH*  
4       *shall submit an annual report to Congress and the advisory*  
5       *board on the activities of the SBIR program of the NIH*  
6       *under this section.*

7       “(e) *SBIR GRANTS AND CONTRACTS.—*

8               “(1) *IN GENERAL.—In awarding grants and*  
9       *contracts under the SBIR program of the NIH each*  
10       *SBIR program manager shall place an emphasis on*  
11       *applications that identify products and services that*  
12       *may enhance the development of cures and therapies.*

13               “(2) *EXAMINATION OF COMMERCIALIZATION AND*  
14       *OTHER METRICS.—The advisory board shall evaluate*  
15       *the implementation of the requirement under para-*  
16       *graph (1) by examining increased commercialization*  
17       *and other metrics, to be determined and collected by*  
18       *the SBIR program of the NIH.*

19               “(3) *PHASE I AND II.—To the greatest extent*  
20       *practicable, the Director of the SBIR program of the*  
21       *NIH shall reduce the time period between Phase I*  
22       *and Phase II funding of grants and contracts under*  
23       *the SBIR program of the NIH to 6 months.*

24       “(f) *LIMIT.—Not more than a total of 1 percent of the*  
25       *extramural budget (as defined in section 9 of the Small*

1 *Business Act (15 U.S.C. 638)) of the NIH for research or*  
 2 *research and development may be used for the pilot program*  
 3 *under subsection (c) and to carry out subsection (e).*

4 “(g) *SUNSET.*—*This section shall cease to be effective*  
 5 *on the date that is 5 years after the date of enactment of*  
 6 *the SBIR/STTR Reauthorization Act of 2009.*”.

7 **TITLE III—OVERSIGHT AND**  
 8 **EVALUATION**

9 **SEC. 301. STREAMLINING ANNUAL EVALUATION REQUIRE-**  
 10 **MENTS.**

11 *Section 9(b) of the Small Business Act (15 U.S.C.*  
 12 *638(b)), as amended by section 102 of this Act, is amend-*  
 13 *ed—*

14 (1) *in paragraph (7)—*

15 (A) *by striking “STTR programs, including*  
 16 *the data” and inserting the following: “STTR*  
 17 *programs, including—*

18 “(A) *the data”;*

19 (B) *by striking “(g)(10), (o)(9), and (o)(15),*  
 20 *the number” and all that follows through “under*  
 21 *each of the SBIR and STTR programs, and a*  
 22 *description” and inserting the following: “(g)(8)*  
 23 *and (o)(9); and*

24 “(B) *the number of proposals received from,*  
 25 *and the number and total amount of awards to,*

1        *HUBZone small business concerns and firms*  
2        *with venture capital investment (including those*  
3        *majority owned and controlled by multiple ven-*  
4        *ture capital firms) under each of the SBIR and*  
5        *STTR programs;*

6                *“(C) a description of the extent to which*  
7        *each Federal agency is increasing outreach and*  
8        *awards to firms owned and controlled by women*  
9        *and social or economically disadvantaged indi-*  
10        *viduals under each of the SBIR and STTR pro-*  
11        *grams;*

12                *“(D) general information about the imple-*  
13        *mentation and compliance with the allocation of*  
14        *funds required under subsection (cc) for firms*  
15        *majority owned and controlled by multiple ven-*  
16        *ture capital firms under each of the SBIR and*  
17        *STTR programs;*

18                *“(E) a detailed description of appeals of*  
19        *Phase III awards and notices of noncompliance*  
20        *with the SBIR and the STTR Policy Directives*  
21        *filed by the Administrator with Federal agencies;*  
22        *and*

23                *“(F) a description”; and*

24                *(2) by inserting after paragraph (7) the fol-*  
25        *lowing:*

1           “(8) to coordinate the implementation of elec-  
2           tronic databases at each of the Federal agencies par-  
3           ticipating in the SBIR program or the STTR pro-  
4           gram, including the technical ability of the partici-  
5           pating agencies to electronically share data;”.

6 **SEC. 302. DATA COLLECTION FROM AGENCIES FOR SBIR.**

7           Section 9(g) of the Small Business Act (15 U.S.C.  
8           638(g)) is amended—

9           (1) by striking paragraph (10);

10           (2) by redesignating paragraphs (8) and (9) as  
11           paragraphs (9) and (10), respectively;

12           (3) by inserting after paragraph (7) the fol-  
13           lowing:

14           “(8) collect annually, and maintain in a com-  
15           mon format in accordance with the simplified report-  
16           ing requirements under subsection (v), such informa-  
17           tion from awardees as is necessary to assess the SBIR  
18           program, including information necessary to main-  
19           tain the database described in subsection (k), includ-  
20           ing—

21           “(A) whether an awardee—

22           “(i) has venture capital or is majority  
23           owned and controlled by multiple venture  
24           capital firms, and, if so—

1                   “(I) the amount of venture capital  
2                   that the awardee has received as of the  
3                   date of the award; and

4                   “(II) the amount of additional  
5                   capital that the awardee has invested  
6                   in the SBIR technology;

7                   “(ii) has an investor that—

8                   “(I) is an individual who is not a  
9                   citizen of the United States or a lawful  
10                  permanent resident of the United  
11                  States, and if so, the name of any such  
12                  individual; or

13                  “(II) is a person that is not an  
14                  individual and is not organized under  
15                  the laws of a State or the United  
16                  States, and if so the name of any such  
17                  person;

18                  “(iii) is owned by a woman or has a  
19                  woman as a principal investigator;

20                  “(iv) is owned by a socially or eco-  
21                  nomically disadvantaged individual or has  
22                  a socially or economically disadvantaged  
23                  individual as a principal investigator;

1           “(v) received assistance under the  
2           *FAST* program under section 34 or the out-  
3           reach program under subsection (s);

4           “(vi) is a faculty member or a student  
5           of an institution of higher education, as  
6           that term is defined in section 101 of the  
7           *Higher Education Act of 1965* (20 U.S.C.  
8           1001); or

9           “(vii) is located in a State described in  
10          subsection (u)(3); and

11          “(B) a justification statement from the  
12          agency, if an awardee receives an award in an  
13          amount that is more than the award guidelines  
14          under this section;”; and

15          (4) in paragraph (10), as so redesignated, by  
16          adding “and” at the end.

17 **SEC. 303. DATA COLLECTION FROM AGENCIES FOR STTR.**

18          Section 9(o) of the *Small Business Act* (15 U.S.C.  
19          638(o)) is amended—

20                 (1) by striking paragraph (9) and inserting the  
21                 following:

22                 “(9) collect annually, and maintain in a com-  
23                 mon format in accordance with the simplified report-  
24                 ing requirements under subsection (v), such informa-  
25                 tion from applicants and awardees as is necessary to

1 *assess the STTR program outputs and outcomes, in-*  
2 *cluding information necessary to maintain the data-*  
3 *base described in subsection (k), including—*

4 *“(A) whether an applicant or awardee—*

5 *“(i) has venture capital or is majority*  
6 *owned and controlled by multiple venture*  
7 *capital firms, and, if so—*

8 *“(I) the amount of venture capital*  
9 *that the applicant or awardee has re-*  
10 *ceived as of the date of the application*  
11 *or award, as applicable; and*

12 *“(II) the amount of additional*  
13 *capital that the applicant or awardee*  
14 *has invested in the SBIR technology;*

15 *“(ii) has an investor that—*

16 *“(I) is an individual who is not a*  
17 *citizen of the United States or a lawful*  
18 *permanent resident of the United*  
19 *States, and if so, the name of any such*  
20 *individual; or*

21 *“(II) is a person that is not an*  
22 *individual and is not organized under*  
23 *the laws of a State or the United*  
24 *States, and if so the name of any such*  
25 *person;*



1           “(iii) is owned by a woman or has a  
2 woman as a principal investigator;

3           “(iv) is owned by a socially or eco-  
4 nomically disadvantaged individual or has  
5 a socially or economically disadvantaged  
6 individual as a principal investigator;

7           “(v) received assistance under the  
8 FAST program under section 34 or the out-  
9 reach program under subsection (s);

10          “(vi) is a faculty member or a student  
11 of an institution of higher education, as  
12 that term is defined in section 101 of the  
13 Higher Education Act of 1965 (20 U.S.C.  
14 1001); or

15          “(vii) is located in a State in which  
16 the total value of contracts awarded to  
17 small business concerns under all STTR  
18 programs is less than the total value of con-  
19 tracts awarded to small business concerns  
20 in a majority of other States, as determined  
21 by the Administrator in biennial fiscal  
22 years, beginning with fiscal year 2008,  
23 based on the most recent statistics compiled  
24 by the Administrator; and

1           “(B) if an awardee receives an award in an  
2           amount that is more than the award guidelines  
3           under this section, a statement from the agency  
4           that justifies the award amount;”;

5           (2) in paragraph (14), by adding “and” at the  
6           end;

7           (3) by striking paragraph (15); and

8           (4) by redesignating paragraph (16) as para-  
9           graph (15).

10 **SEC. 304. PUBLIC DATABASE.**

11           Section 9(k)(1) of the Small Business Act (15 U.S.C.  
12 638(k)(1)) is amended—

13           (1) in subparagraph (D), by striking “and” at  
14           the end;

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

17           (3) by adding at the end the following:

18           “(F) for each small business concern that  
19           has received a Phase I or Phase II SBIR or  
20           STTR award from a Federal agency, whether the  
21           small business concern—

22           “(i) has venture capital and, if so,  
23           whether the small business concern is reg-  
24           istered as majority owned and controlled by

1           *multiple venture capital companies as re-*  
2           *quired under subsection (cc)(3);*

3           *“(ii) is owned by a woman or has a*  
4           *woman as a principal investigator;*

5           *“(iii) is owned by a socially or eco-*  
6           *nomically disadvantaged individual or has*  
7           *a socially or economically disadvantaged*  
8           *individual as a principal investigator;*

9           *“(iv) received assistance under the*  
10          *FAST program under section 34 or the out-*  
11          *reach program under subsection (s); or*

12          *“(v) is owned by a faculty member or*  
13          *a student of an institution of higher edu-*  
14          *cation, as that term is defined in section*  
15          *101 of the Higher Education Act of 1965*  
16          *(20 U.S.C. 1001).”.*

17 **SEC. 305. GOVERNMENT DATABASE.**

18          *Section 9(k)(2) of the Small Business Act (15 U.S.C.*  
19          *638(k)(2)) is amended—*

20                 *(1) by redesignating subparagraphs (C), (D),*  
21                 *and (E) as subparagraphs (D), (E), and (F), respec-*  
22                 *tively;*

23                 *(2) by inserting after subparagraph (B) the fol-*  
24                 *lowing:*

25                         *“(C) includes, for each awardee—*

1           “(i) the name, size, location, and any  
2           identifying number assigned to the awardee  
3           by the Administrator;

4           “(ii) whether the awardee has venture  
5           capital, and, if so—

6                   “(I) the amount of venture capital  
7                   as of the date of the award;

8                   “(II) the percentage of ownership  
9                   of the awardee held by a venture cap-  
10                  ital firm, including whether the  
11                  awardee is majority owned and con-  
12                  trolled by multiple venture capital  
13                  firms; and

14                  “(III) the amount of additional  
15                  capital that the awardee has invested  
16                  in the SBIR technology, which infor-  
17                  mation shall be collected on an annual  
18                  basis;

19                  “(iii) the names and locations of any  
20                  affiliates of the awardee;

21                  “(iv) the number of employees of the  
22                  awardee;

23                  “(v) the number of employees of the af-  
24                  filiates of the awardee; and

1                   “(vi) the names of, and the percentage  
2                   of ownership of the awardee held by—

3                   “(I) any individual who is not a  
4                   citizen of the United States or a lawful  
5                   permanent resident of the United  
6                   States; or

7                   “(II) any person that is not an  
8                   individual and is not organized under  
9                   the laws of a State or the United  
10                  States;”; and

11               (3) in subparagraph (D), as so redesignated—

12                   (A) in clause (ii), by striking “and” at the  
13                   end; and

14                   (B) by adding at the end, the following:

15                   “(iv) whether the applicant was major-  
16                   ity owned and controlled by multiple ven-  
17                   ture capital firms; and

18                   “(v) the number of employees of the ap-  
19                   plicant;”.

20 **SEC. 306. ACCURACY IN FUNDING BASE CALCULATIONS.**

21               (a) *IN GENERAL.*—Not later than 1 year after the date  
22 of enactment of this Act, and every 3 years thereafter, the  
23 Comptroller General of the United States shall—

1           (1) *conduct a fiscal and management audit of*  
2 *the SBIR program and the STTR program for the*  
3 *applicable period to—*

4           (A) *determine whether Federal agencies*  
5 *comply with the expenditure amount require-*  
6 *ments under subsections (f)(1) and (n)(1) of sec-*  
7 *tion 9 of the Small Business Act (15 U.S.C.*  
8 *638), as amended by this Act;*

9           (B) *assess the extent of compliance with the*  
10 *requirements of section 9(i)(2) of the Small Busi-*  
11 *ness Act (15 U.S.C. 638(i)(2)) by Federal agen-*  
12 *cies participating in the SBIR program or the*  
13 *STTR program and the Administration;*

14           (C) *assess whether it would be more con-*  
15 *sistent and effective to base the amount of the al-*  
16 *locations under the SBIR program and the*  
17 *STTR program on a percentage of the research*  
18 *and development budget of a Federal agency,*  
19 *rather than the extramural budget of the Federal*  
20 *agency; and*

21           (D) *determine the portion of the extramural*  
22 *research or research and development budget of a*  
23 *Federal agency that each Federal agency spends*  
24 *for administrative purposes relating to the SBIR*  
25 *program or STTR program, and for what spe-*

1           cific purposes, including the portion, if any, of  
2           such budget the Federal agency spends for sala-  
3           ries and expenses, travel to visit applicants, out-  
4           reach events, marketing, and technical assist-  
5           ance; and

6           (2) submit a report to the Committee on Small  
7           Business and Entrepreneurship of the Senate and the  
8           Committee on Small Business of the House of Rep-  
9           resentatives regarding the audit conducted under  
10          paragraph (1), including the assessments required  
11          under subparagraphs (B) and (C), and the deter-  
12          mination made under subparagraph (D) of para-  
13          graph (1).

14          (b) *DEFINITION OF APPLICABLE PERIOD.*—*In this sec-*  
15          *tion, the term “applicable period” means—*

16                (1) *for the first report submitted under this sec-*  
17                *tion, the period beginning on October 1, 2000, and*  
18                *ending on September 30 of the last full fiscal year be-*  
19                *fore the date of enactment of this Act for which infor-*  
20                *mation is available; and*

21                (2) *for the second and each subsequent report*  
22                *submitted under this section, the period—*

23                        (A) *beginning on October 1 of the first fiscal*  
24                        *year after the end of the most recent full fiscal*

1           year relating to which a report under this sec-  
2           tion was submitted; and

3                   (B) ending on September 30 of the last full  
4           fiscal year before the date of the report.

5 **SEC. 307. CONTINUED EVALUATION BY THE NATIONAL**  
6                   **ACADEMY OF SCIENCES.**

7           Section 108 of the Small Business Reauthorization Act  
8 of 2000 (15 U.S.C. 638 note) is amended by adding at the  
9 end the following:

10           “(e) *EXTENSIONS AND ENHANCEMENTS OF AUTHOR-*  
11 *ITY.*—

12                   “(1) *IN GENERAL.*—Not later than 6 months  
13 after the date of enactment of the SBIR/STTR Reau-  
14 thorization Act of 2009, the head of each agency de-  
15 scribed in subsection (a), in consultation with the  
16 Small Business Administration, shall cooperatively  
17 enter into an agreement with the National Academy  
18 of Sciences for the National Research Council to con-  
19 duct a study described in subsection (a)(1) and make  
20 recommendations described in subsection (a)(2) not  
21 later than 4 years after the date of enactment of the  
22 SBIR/STTR Reauthorization Act of 2009, and every  
23 4 years thereafter.

24                   “(2) *REPORTING.*—An agreement under para-  
25 graph (1) shall require that not later than 4 years



1 *after the date of enactment of the SBIR/STTR Reau-*  
2 *thorization Act of 2009, and every 4 years thereafter,*  
3 *the National Research Council shall submit to the*  
4 *head of the agency entering into the agreement, the*  
5 *Committee on Small Business and Entrepreneurship*  
6 *of the Senate, and the Committee on Small Business*  
7 *of the House of Representatives a report regarding the*  
8 *study conducted under paragraph (1) and containing*  
9 *the recommendations described in paragraph (1).”.*

10 **SEC. 308. TECHNOLOGY INSERTION REPORTING REQUIRE-**  
11 **MENTS.**

12 *Section 9 of the Small Business Act (15 U.S.C. 638),*  
13 *as amended by this Act, is amended by adding at the end*  
14 *the following:*

15 *“(gg) PHASE III REPORTING.—The annual SBIR or*  
16 *STTR report to Congress by the Administration under sub-*  
17 *section (b)(7) shall include, for each Phase III award made*  
18 *by the Federal agency—*

19 *“(1) the name of the agency or component of the*  
20 *agency or the non-Federal source of capital making*  
21 *the Phase III award;*

22 *“(2) the name of the small business concern or*  
23 *individual receiving the Phase III award; and*

24 *“(3) the dollar amount of the Phase III award.”.*

1 **SEC. 309. INTELLECTUAL PROPERTY PROTECTIONS.**

2 (a) *IN GENERAL.*—The Comptroller General of the  
3 United States shall conduct a study of the SBIR program  
4 to assess whether—

5 (1) *Federal agencies comply with the data rights*  
6 *protections for SBIR awardees and the technologies of*  
7 *SBIR awardees under section 9 of the Small Business*  
8 *Act (15 U.S.C. 638);*

9 (2) *the laws and policy directives intended to*  
10 *clarify the scope of data rights, including in proto-*  
11 *types and mentor-protégé relationships and agree-*  
12 *ments with Federal laboratories, are sufficient to pro-*  
13 *tect SBIR awardees; and*

14 (3) *there is an effective grievance tracking proc-*  
15 *ess for SBIR awardees who have grievances against*  
16 *a Federal agency regarding data rights and a process*  
17 *for resolving those grievances.*

18 (b) *REPORT.*—Not later than 18 months after the date  
19 of enactment of this Act, the Comptroller General shall sub-  
20 mit to the Committee on Small Business and Entrepreneur-  
21 ship of the Senate and the Committee on Small Business  
22 of the House of Representatives a report regarding the study  
23 conducted under subsection (a).

1     **TITLE IV—POLICY DIRECTIVES**

2     **SEC. 401. CONFORMING AMENDMENTS TO THE SBIR AND**  
3                     **THE STTR POLICY DIRECTIVES.**

4             (a) *IN GENERAL.*—Not later than 180 days after the  
5 date of enactment of this Act, the Administrator shall pro-  
6 mulgate amendments to the SBIR Policy Directive and the  
7 STTR Policy Directive to conform such directives to this  
8 Act and the amendments made by this Act.

9             (b) *PUBLISHING SBIR POLICY DIRECTIVE AND THE*  
10 *STTR POLICY DIRECTIVE IN THE FEDERAL REGISTER.*—  
11 Not later than 180 days after the date of enactment of this  
12 Act, the Administrator shall publish the amended SBIR  
13 Policy Directive and the amended STTR Policy Directive  
14 in the Federal Register.

15     **SEC. 402. PRIORITIES FOR CERTAIN RESEARCH INITIA-**  
16                     **TIVES.**

17             (a) *IN GENERAL.*—Section 9 of the Small Business Act  
18 (15 U.S.C. 638), as amended by this Act, is amended by  
19 adding at the end the following:

20             “(hh) *RESEARCH INITIATIVES.*—To the extent that  
21 such projects relate to the mission of the Federal agency,  
22 each Federal agency participating in the SBIR program  
23 or STTR program shall encourage the submission of appli-  
24 cations for support of projects relating to security, energy,

1 *transportation, or improving the security and quality of*  
2 *the water supply of the United States to such program.”.*

3 *(b) SUNSET.—Effective October 1, 2014, section 9(hh)*  
4 *of the Small Business Act, as added by subsection (a) of*  
5 *this section, is repealed.*

6 **SEC. 403. REPORT ON SBIR AND STTR PROGRAM GOALS.**

7 *Section 9 of the Small Business Act (15 U.S.C. 638),*  
8 *as amended by this Act, is amended by adding at the end*  
9 *the following:*

10 *“(i) ANNUAL REPORT ON SBIR AND STTR PROGRAM*  
11 *GOALS.—*

12 *“(1) DEVELOPMENT OF METRICS.—The head of*  
13 *each Federal agency required to participate in the*  
14 *SBIR program or the STTR program shall develop*  
15 *metrics to evaluate the effectiveness, and the benefit to*  
16 *the people of the United States, of the SBIR program*  
17 *and the STTR program of the Federal agency that—*

18 *“(A) are science-based and statistically*  
19 *driven;*

20 *“(B) reflect the mission of the Federal agen-*  
21 *cy; and*

22 *“(C) include factors relating to the economic*  
23 *impact of the programs.*

24 *“(2) EVALUATION.—The head of each Federal*  
25 *agency described in paragraph (1) shall conduct an*

1 *annual evaluation using the metrics developed under*  
2 *paragraph (1) of—*

3 *“(A) the SBIR program and the STTR pro-*  
4 *gram of the Federal agency; and*

5 *“(B) the benefits to the people of the United*  
6 *States of the SBIR program and the STTR pro-*  
7 *gram of the Federal agency.*

8 *“(3) REPORT.—*

9 *“(A) IN GENERAL.—The head of each Fed-*  
10 *eral agency described in paragraph (1) shall sub-*  
11 *mit to the appropriate committees of Congress*  
12 *and the Administrator an annual report describ-*  
13 *ing in detail the results of an evaluation con-*  
14 *ducted under paragraph (2).*

15 *“(B) PUBLIC AVAILABILITY OF REPORT.—*  
16 *The head of each Federal agency described in*  
17 *paragraph (1) shall make each report submitted*  
18 *under subparagraph (A) available to the public*  
19 *online.*

20 *“(C) DEFINITION.—In this paragraph, the*  
21 *term ‘appropriate committees of Congress’*  
22 *means—*

23 *“(i) the Committee on Small Business*  
24 *and Entrepreneurship of the Senate; and*

1                   “(ii) *the Committee on Small Business*  
2                   *and the Committee on Science and Tech-*  
3                   *nology of the House of Representatives.*”.

4 **SEC. 404. COMPETITIVE SELECTION PROCEDURES FOR SBIR**  
5                   **AND STTR PROGRAMS.**

6           *Section 9 of the Small Business Act (15 U.S.C. 638),*  
7 *as amended by this Act, is amended by adding at the end*  
8 *the following:*

9           “(jj) **COMPETITIVE SELECTION PROCEDURES FOR**  
10 **SBIR AND STTR PROGRAMS.**—*All funds awarded, appro-*  
11 *priated, or otherwise made available in accordance with*  
12 *subsection (f) or (n) must be awarded pursuant to competi-*  
13 *tive and merit-based selection procedures.*”.

Attest:

*Secretary.*



11<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H.R. 2965**

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**AMENDMENT**