

111TH CONGRESS
1ST SESSION

S. 1233

To reauthorize and improve the SBIR and STTR programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 10, 2009

Ms. LANDRIEU (for herself and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To reauthorize and improve the SBIR and STTR programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “SBIR/STTR Reau-
5 thorization Act of 2009”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 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 pilot 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.

1 **SEC. 3. DEFINITIONS.**

2 In this Act—

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

6 (2) the terms “extramural budget”, “Federal
7 agency”, “Small Business Innovation Research Pro-
8 gram”, “SBIR”, “Small Business Technology

1 Transfer Program”, and “STTR” have the mean-
2 ings given such terms in section 9 of the Small Busi-
3 ness Act (15 U.S.C. 638); and

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

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

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

10 (a) SBIR.—Section 9(m) of the Small Business Act
11 (15 U.S.C. 638(m)) is amended by striking “2008” and
12 inserting “2023”.

13 (b) STTR.—Section 9(n)(1)(A) of the Small Busi-
14 ness Act (15 U.S.C. 638(n)(1)(A)) is amended by striking
15 “2009” and inserting “2023”.

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

17 Section 9(b) of the Small Business Act (15 U.S.C.
18 638(b)) is amended—

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

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

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

25 (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 Adminis-
5 trator for Technology, who shall report directly
6 to the Administrator; and

7 “(B) independent from the Office of Gov-
8 ernment Contracting of the Administration and
9 sufficiently staffed and funded to comply with
10 the oversight, reporting, and public database re-
11 sponsibilities assigned to the Office of Tech-
12 nology by 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
21 “and” 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
25 budget in each of fiscal years 2009 and 2010;

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

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

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

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

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

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

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

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

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

19 “(M) not less than 3.5 percent of such
20 budget in fiscal year 2020 and each fiscal year
21 thereafter,”; 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
2 inserting the following:

3 “(A) IN GENERAL.—A Federal agency”;
4 and

5 (C) by adding at the end the following:

6 “(B) DEPARTMENT OF DEFENSE AND DE-
7 PARTMENT OF ENERGY.—For the Department
8 of Defense and the Department of Energy, to
9 the greatest extent practicable, the percentage
10 of the extramural budget in excess of 2.5 per-
11 cent required to be expended with small busi-
12 ness concerns under subparagraphs (D)
13 through (M) of paragraph (1)—

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

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

1 “(C) DEPARTMENT OF HEALTH AND
2 HUMAN SERVICES.—Subparagraphs (D)
3 through (M) of paragraph (1) shall not apply to
4 the Department of Health and Human Services.
5 For fiscal year 2009, and each fiscal year there-
6 after, the Department of Health and Human
7 Services shall expend with small business con-
8 cerns not less than 2.5 percent of the extra-
9 mural budget for research or research and de-
10 velopment of the Department of Health and
11 Human Services.”.

12 **SEC. 104. STTR ALLOCATION INCREASE.**

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

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

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

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

19 “(iii) 0.4 percent for fiscal years 2011
20 and 2012;

21 “(iv) 0.5 percent for fiscal years 2013
22 and 2014; and

23 “(v) 0.6 percent for fiscal year 2015
24 and each fiscal year thereafter.”.

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

2 (a) SBIR ADJUSTMENTS.—Section 9(j)(2)(D) of the
3 Small Business Act (15 U.S.C. 638(j)(2)(D)) is amend-
4 ed—

5 (1) by striking “\$100,000” and inserting
6 “\$150,000”; and

7 (2) by striking “\$750,000” and inserting
8 “\$1,000,000”.

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

12 (1) by striking “\$100,000” and inserting
13 “\$150,000”; and

14 (2) by striking “\$750,000” and inserting
15 “\$1,000,000”.

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

18 (1) in subsection (j)(2)(D)—

19 (A) by striking “5 years” and inserting “3
20 years”; and

21 (B) by striking “and programmatic consid-
22 erations”; and

23 (2) in subsection (p)(2)(B)(ix) by striking
24 “greater or lesser amounts to be awarded at the dis-
25 cretion of the awarding agency,” and inserting “an

1 adjustment for inflation of such amounts once every
2 3 years,”.

3 (d) LIMITATION ON CERTAIN AWARDS.—Section 9 of
4 the Small Business Act (15 U.S.C. 638) is amended by
5 adding at the end the following:

6 “(aa) LIMITATION ON CERTAIN AWARDS.—

7 “(1) LIMITATION.—No Federal agency may
8 issue an award under the SBIR program or the
9 STTR program if the size of the award exceeds the
10 award guidelines established under this section by
11 more than 50 percent.

12 “(2) MAINTAINANCE OF INFORMATION.—Par-
13 ticipating agencies shall maintain information on
14 awards exceeding the guidelines established under
15 this section, including—

16 “(A) the amount of each award;

17 “(B) a justification for exceeding the
18 award amount;

19 “(C) the identity and location of each
20 award recipient; and

21 “(D) whether a recipient has received any
22 venture capital investment and, if so, whether
23 the recipient is majority-owned and controlled
24 by multiple venture capital companies.

1 “(3) REPORTS.—The Administrator shall in-
2 clude the information described in paragraph (2) in
3 the annual report of the Administrator to Con-
4 gress.”.

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

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 “(bb) SUBSEQUENT PHASES.—

10 “(1) AGENCY COLLABORATION.—A small busi-
11 ness concern that received an award from a Federal
12 agency under this section shall be eligible to receive
13 an award for a subsequent phase from another Fed-
14 eral agency, if the head of each relevant Federal
15 agency or the relevant component of the Federal
16 agency makes a written determination that the top-
17 ics of the relevant awards are the same and both
18 agencies report the awards to the Administrator for
19 inclusion in the public database under subsection
20 (k).

21 “(2) SBIR AND STTR COLLABORATION.—A
22 small business concern which received an award
23 under this section under the SBIR program or the
24 STTR program may receive an award under this
25 section for a subsequent phase in either the SBIR

1 program or the STTR program and the partici-
2 pating agency or agencies shall report the awards to
3 the Administrator for inclusion in the public data-
4 base under subsection (k).”.

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

6 (a) IN GENERAL.—Section 9(e) of the Small Busi-
7 ness Act (15 U.S.C. 638(e)) is amended—

8 (1) in paragraph (4)(B), by striking “to fur-
9 ther” and inserting: “which shall not include any in-
10 vitation, pre-screening, pre-selection, or down-selec-
11 tion process for eligibility for the second phase, that
12 will further”; and

13 (2) in paragraph (6)(B), by striking “to further
14 develop proposed ideas to” and inserting “which
15 shall not include any invitation, pre-screening, pre-
16 selection, or down-selection process for eligibility for
17 the second phase, that will further develop proposals
18 that”.

19 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
20 Section 9 of the Small Business Act (15 U.S.C. 638) is
21 amended—

22 (1) in section 9—

23 (A) in subsection (e)—

24 (i) in paragraph (8), by striking
25 “and” at the end;

1 (ii) in paragraph (9)—

2 (I) by striking “the second or the
3 third phase” and inserting “Phase II
4 or Phase III”; and

5 (II) by striking the period at the
6 end and inserting a semicolon; and

7 (iii) by adding at the end the fol-
8 lowing:

9 “(10) the term ‘Phase I’ means—

10 “(A) with respect to the SBIR program,
11 the first phase described in paragraph (4)(A);
12 and

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

15 “(11) the term ‘Phase II’ means—

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

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

22 “(12) the term ‘Phase III’ means—

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

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

4 (B) in subsection (j)—

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

7 (ii) in paragraph (2)—

8 (I) in subparagraph (B)—

9 (aa) by striking “the third
10 phase” each place it appears and
11 inserting “Phase III”; and

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

14 (II) in subparagraph (D)—

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

18 (bb) by striking “the second
19 phase” and inserting “Phase II”;

20 (III) in subparagraph (F), by
21 striking “the third phase” and insert-
22 ing “Phase III”;

23 (IV) in subparagraph (G)—

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 and

7 (V) in subparagraph (H)—

8 (aa) by striking “the first
9 phase” and inserting “Phase I”;

10 (bb) by striking “second
11 phase” each place it appears and
12 inserting “Phase II”; and

13 (cc) by striking “third
14 phase” and inserting “Phase
15 III”; and

16 (iii) in paragraph (3)—

17 (I) in subparagraph (A)—

18 (aa) by striking “the first
19 phase (as described in subsection
20 (e)(4)(A))” and inserting “Phase
21 I”;

22 (bb) by striking “the second
23 phase (as described in subsection
24 (e)(4)(B))” and inserting “Phase
25 II”; and

1 (cc) by striking “the third
2 phase (as described in subsection
3 (e)(4)(C))” and inserting “Phase
4 III”; and

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

8 (C) in subsection (k)—

9 (i) by striking “first phase” each
10 place it appears and inserting “Phase I”;
11 and

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

14 (D) in subsection (l)(2)—

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

17 (ii) by striking “the second phase”
18 and inserting “Phase II”;

19 (E) in subsection (o)(13)—

20 (i) in subparagraph (B), by striking
21 “second phase” and inserting “Phase II”;
22 and

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

25 (F) in subsection (p)—

- 1 (i) in paragraph (2)(B)—
2 (I) in clause (vi)—
3 (aa) by striking “the second
4 phase” and inserting “Phase II”;
5 and
6 (bb) by striking “the third
7 phase” and inserting “Phase
8 III”; and
9 (II) in clause (ix)—
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 (ii) in paragraph (3)—
17 (I) by striking “the first phase
18 (as described in subsection
19 (e)(6)(A))” and inserting “Phase I”;
20 (II) by striking “the second
21 phase (as described in subsection
22 (e)(6)(B))” and inserting “Phase II”;
23 and

- 1 (III) by striking “the third phase
2 (as described in subsection
3 (e)(6)(A))” and inserting “Phase III”;
4 (G) in subsection (q)(3)—
5 (i) in subparagraph (A)—
6 (I) in the subparagraph heading,
7 by striking “FIRST PHASE” and in-
8 serting “PHASE I”; and
9 (II) by striking “first phase” and
10 inserting “Phase I”; and
11 (ii) in subparagraph (B)—
12 (I) in the subparagraph heading,
13 by striking “SECOND PHASE” and in-
14 serting “PHASE II”; and
15 (II) by striking “second phase”
16 and inserting “Phase II”;
17 (H) in subsection (r)—
18 (i) in the subsection heading, by strik-
19 ing “THIRD PHASE” and inserting
20 “PHASE III”;
21 (ii) in paragraph (1)—
22 (I) in the first sentence—
23 (aa) by striking “for the sec-
24 ond phase” and inserting “for
25 Phase II”;

1 (bb) by striking “third
2 phase” and inserting “Phase
3 III”; and

4 (cc) by striking “second
5 phase period” and inserting
6 “Phase II period”; and

7 (II) in the second sentence—

8 (aa) by striking “second
9 phase” and inserting “Phase II”;
10 and

11 (bb) by striking “third
12 phase” and inserting “Phase
13 III”; and

14 (iii) in paragraph (2), by striking
15 “third phase” and inserting “Phase III”;
16 and

17 (I) in subsection (u)(2)(B), by striking
18 “the first phase” and inserting “Phase I”;
19 (2) in section 34—

20 (A) in subsection (c)(2)(B)(ii), by striking
21 “first phase and second phase SBIR awards”
22 and inserting “Phase I and Phase II SBIR
23 awards (as defined in section 9(e))”; and

24 (B) in subsection (e)(2)(A)—

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

5 (ii) by striking “first phase” each
6 place it appears and inserting “Phase I”;
7 and

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

10 **SEC. 108. MAJORITY-VENTURE INVESTMENTS IN SBIR**
11 **FIRMS.**

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

15 “(cc) MAJORITY-VENTURE INVESTMENTS IN SBIR
16 FIRMS.—

17 “(1) AUTHORITY AND DETERMINATION.—

18 “(A) IN GENERAL.—Upon a written deter-
19 mination provided not later than 30 days in ad-
20 vance to the Administrator and to the Com-
21 mittee on Small Business and Entrepreneurship
22 of the Senate and the Committee on Small
23 Business of the House of Representatives—

24 “(i) the head of the SBIR program of
25 the National Institutes of Health may

1 award not more than 18 percent of the
2 SBIR funds of the National Institutes of
3 Health allocated in accordance with this
4 Act, in the first full fiscal year beginning
5 after the date of enactment of this sub-
6 section, and each fiscal year thereafter, to
7 small business concerns that are owned in
8 majority part by venture capital companies
9 and that satisfy the qualification require-
10 ments under paragraph (2) through com-
11 petitive, merit-based procedures that are
12 open to all eligible small business concerns;
13 and

14 “(ii) the head of any other Federal
15 agency participating in the SBIR program
16 may award not more than 8 percent of the
17 SBIR funds of the Federal agency allo-
18 cated in accordance with this Act, in the
19 first full fiscal year beginning after the
20 date of enactment of this subsection, and
21 each fiscal year thereafter, to small busi-
22 ness concerns that are majority owned by
23 venture capital companies and that satisfy
24 the qualification requirements under para-
25 graph (2) through competitive, merit-based

1 procedures that are open to all eligible
2 small business concerns.

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

13 “(2) QUALIFICATION REQUIREMENTS.—The
14 Administrator shall establish requirements relating
15 to the affiliation by small business concerns with
16 venture capital companies, which may not exclude a
17 United States small business concern from participa-
18 tion in the program under paragraph (1) on the
19 basis that the small business concern is owned in
20 majority part by, or controlled by, more than 1
21 United States venture capital company, so long as
22 no single venture capital company owns more than
23 49 percent of the small business concern.

24 “(3) REGISTRATION.—A small business concern
25 that is majority owned and controlled by multiple

1 venture capital companies and qualified for partici-
2 pation in the program authorized under paragraph
3 (1) shall—

4 “(A) register with the Administrator on
5 the date that the small business concern sub-
6 mits an application for an award under the
7 SBIR program; and

8 “(B) indicate whether the small business
9 concern is registered under subparagraph (A) in
10 any SBIR proposal.

11 “(4) COMPLIANCE.—A Federal agency de-
12 scribed in paragraph (1) shall collect data regarding
13 the number and dollar amounts of phase I, phase II,
14 and all other categories of awards under the SBIR
15 program, and the Administrator shall report on the
16 data and the compliance of each such Federal agen-
17 cy with the maximum amounts under paragraph (1)
18 as part of the annual report by the Administration
19 under subsection (b)(7).

20 “(5) ENFORCEMENT.—If a Federal agency
21 awards more than the amount authorized under
22 paragraph (1) for a purpose described in paragraph
23 (1), the amount awarded in excess of the amount
24 authorized under paragraph (1) shall be transferred
25 to the funds for general SBIR programs from the

1 non-SBIR research and development funds of the
2 Federal agency within 60 days of the date on which
3 the Federal agency awarded more than the amount
4 authorized under paragraph (1) for a purpose de-
5 scribed in paragraph (1).”.

6 (b) TECHNICAL AND CONFORMING AMENDMENT.—
7 Section 3 of the Small Business Act (15 U.S.C. 632) is
8 amended by adding at the end the following:

9 “(t) VENTURE CAPITAL COMPANY.—In this Act, the
10 term ‘venture capital company’ means an entity described
11 in clause (i), (v), or (vi) of section 121.103(b)(5) of title
12 13, Code of Federal Regulations (or any successor there-
13 to).”.

14 (c) ASSISTANCE FOR DETERMINING AFFILIATES.—
15 Not later than 30 days after the date of enactment of this
16 Act, the Administrator shall post on the website of the
17 Administration (with a direct link displayed on the home-
18 page of the website of the Administration or the SBIR
19 website of the Administration)—

20 (1) a clear explanation of the SBIR affiliation
21 rules under part 121 of title 13, Code of Federal
22 Regulations; and

23 (2) contact information for officers or employ-
24 ees of the Administration who—

1 (A) upon request, shall review an issue re-
 2 relating to the rules described in paragraph (1);
 3 and

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

7 **SEC. 109. SBIR AND STTR SPECIAL ACQUISITION PREF-**
 8 **ERENCE.**

9 Section 9(r) of the Small Business Act (15 U.S.C.
 10 638(r)) is amended by adding at the end the following:

11 “(4) PHASE III AWARDS.—To the greatest ex-
 12 tent practicable, Federal agencies and Federal prime
 13 contractors shall issue Phase III awards relating to
 14 technology, including sole source awards, to the
 15 SBIR and STTR award recipients that developed
 16 the technology.”.

17 **SEC. 110. COLLABORATING WITH FEDERAL LABORATORIES**
 18 **AND RESEARCH AND DEVELOPMENT CEN-**
 19 **TERS.**

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

23 “(dd) COLLABORATING WITH FEDERAL LABORA-
 24 TORIES AND RESEARCH AND DEVELOPMENT CENTERS.—

1 “(1) AUTHORIZATION.—Subject to the limita-
2 tions under this section, the head of each partici-
3 pating Federal agency may make SBIR and STTR
4 awards to any eligible small business concern that—

5 “(A) intends to enter into an agreement
6 with a Federal laboratory or federally funded
7 research and development center for portions of
8 the activities to be performed under that award;
9 or

10 “(B) has entered into a cooperative re-
11 search and development agreement (as defined
12 in section 12(d) of the Stevenson-Wydler Tech-
13 nology Innovation Act of 1980 (15 U.S.C.
14 3710a(d))) with a Federal laboratory.

15 “(2) PROHIBITION.—No Federal agency shall—

16 “(A) condition an SBIR or STTR award
17 upon entering into agreement with any Federal
18 laboratory or any federally funded laboratory or
19 research and development center for any por-
20 tion of the activities to be performed under that
21 award;

22 “(B) approve an agreement between a
23 small business concern receiving a SBIR or
24 STTR award and a Federal laboratory or feder-
25 ally funded laboratory or research and develop-

1 ment center, if the small business concern per-
2 forms a lesser portion of the activities to be
3 performed under that award than required by
4 this section and by the SBIR Policy Directive
5 and the STTR Policy Directive of the Adminis-
6 trator; or

7 “(C) approve an agreement that violates
8 any provision, including any data rights protec-
9 tions provision, of this section or the SBIR and
10 the STTR Policy Directives.

11 “(3) IMPLEMENTATION.—Not later than 180
12 days after the date of enactment of this subsection,
13 the Administrator shall modify the SBIR Policy Di-
14 rective and the STTR Policy Directive issued under
15 this section to ensure that small business concerns—

16 “(A) have the flexibility to use the re-
17 sources of the Federal laboratories and feder-
18 ally funded research and development centers;
19 and

20 “(B) are not mandated to enter into agree-
21 ment with any Federal laboratory or any feder-
22 ally funded laboratory or research and develop-
23 ment center as a condition of an award.”.

1 **SEC. 111. NOTICE REQUIREMENT.**

2 The head of any Federal agency involved in a case
 3 or controversy before any Federal judicial or administra-
 4 tive tribunal concerning the SBIR program or the STTR
 5 program shall provide timely notice, as determined by the
 6 Administrator, of the case or controversy to the Adminis-
 7 trator.

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

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

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

15 “(s) OUTREACH.—

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

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

22 “(B) that certifies to the Administrator
 23 that the State will, upon receipt of assistance
 24 under this subsection, provide matching funds
 25 from non-Federal sources in an amount that is

1 not less than 50 percent of the amount provided
2 under this subsection.

3 “(2) PROGRAM AUTHORITY.—Of amounts made
4 available to carry out this section for each of fiscal
5 years 2010 through 2014, the Administrator may
6 expend with eligible States not more than
7 \$5,000,000 in each such fiscal year in order to in-
8 crease the participation of small business concerns
9 located in those States in the programs under this
10 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
15 percent of the total amount of matching funds
16 from non-Federal sources provided by the
17 State; and

18 “(B) shall not exceed \$100,000.

19 “(4) USE OF ASSISTANCE.—Assistance provided
20 to an eligible State under this subsection shall be
21 used by the State, in consultation with State and
22 local departments and agencies, for programs and
23 activities to increase the participation of small busi-
24 ness concerns located in the State in the programs
25 under this 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)
19 is amended—

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

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

1 (c) RURAL AREAS.—Section 34(e)(2) of the Small
2 Business Act (15 U.S.C. 657d(e)(2)) is amended—

3 (1) by redesignating subparagraphs (C) and
4 (D) as subparagraphs (D) and (E), respectively; and
5 (2) by inserting after subparagraph (B) the fol-
6 lowing:

7 “(C) RURAL AREAS.—

8 “(i) IN GENERAL.—Except as pro-
9 vided in clause (ii), the non-Federal share
10 of the cost of the activity carried out using
11 an award or under a cooperative agree-
12 ment under this section shall be 50 cents
13 for each Federal dollar that will be directly
14 allocated by a recipient described in para-
15 graph (A) to serve small business concerns
16 located in a rural area.

17 “(ii) ENHANCED RURAL AWARDS.—

18 For a recipient located in a rural area that
19 is located in a State described in subpara-
20 graph (A)(i), the non-Federal share of the
21 cost of the activity carried out using an
22 award or under a cooperative agreement
23 under this section shall be 35 cents for
24 each Federal dollar that will be directly al-
25 located by a recipient described in para-

1 graph (A) to serve small business concerns
2 located in the rural area.

3 “(iii) DEFINITION OF RURAL AREA.—
4 In this subparagraph, the term ‘rural area’
5 has the meaning given that term in section
6 1393(a)(2)) of the Internal Revenue Code
7 of 1986.”.

8 **SEC. 202. SBIR-STEM WORKFORCE DEVELOPMENT GRANT**
9 **PILOT PROGRAM.**

10 (a) PILOT PROGRAM ESTABLISHED.—From amounts
11 made available to carry out this section, the Administrator
12 shall establish a SBIR-STEM Workforce Development
13 Grant Pilot Program to encourage the business commu-
14 nity to provide workforce development opportunities for
15 college students, in the fields of science, technology, engi-
16 neering, and math (in this section referred to as “STEM
17 college students”), by providing a SBIR bonus grant.

18 (b) ELIGIBLE ENTITIES DEFINED.—In this section
19 the term “eligible entity” means a grantee receiving a
20 grant under the SBIR Program on the date of the bonus
21 grant under subsection (a) that provides an internship
22 program for STEM college students.

23 (c) AWARDS.—An eligible entity shall receive a bonus
24 grant equal to 10 percent of either a Phase I or Phase

1 II grant, as applicable, with a total award maximum of
2 not more than \$10,000 per year.

3 (d) EVALUATION.—Following the fourth year of
4 funding under this section, the Administrator shall submit
5 a report to Congress on the results of the SBIR–STEM
6 Workforce Development Grant Pilot Program.

7 (e) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this sec-
9 tion—

- 10 (1) \$1,000,000 for fiscal year 2011;
- 11 (2) \$1,000,000 for fiscal year 2012;
- 12 (3) \$1,000,000 for fiscal year 2013;
- 13 (4) \$1,000,000 for fiscal year 2014; and
- 14 (5) \$1,000,000 for fiscal year 2015.

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

16 Section 9(q)(3) of the Small Business Act (15 U.S.C.
17 638(q)(3)) is amended—

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

20 (2) in subparagraph (B)—

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

23 (B) by striking “\$4,000 per year” and in-
24 serting “\$5,000 per year, which shall be in ad-
25 dition to the amount of the recipient’s award”.

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

2 “(C) FLEXIBILITY.—In carrying out sub-
3 paragraphs (A) and (B), each Federal agency
4 shall provide the allowable amounts to a recipi-
5 ent that meets the eligibility requirements
6 under the applicable subparagraph, if the re-
7 cipient requests to seek technical assistance
8 from an individual or entity other than the ven-
9 dor selected under paragraph (2) by the Fed-
10 eral agency.

11 “(D) LIMITATION.—A Federal agency may
12 not—

13 “(i) use the amounts authorized under
14 subparagraph (A) or (B) unless the vendor
15 selected under paragraph (2) provides the
16 technical assistance to the recipient; or

17 “(ii) enter a contract with a vendor
18 under paragraph (2) under which the
19 amount provided for technical assistance is
20 based on total number of Phase I or Phase
21 II awards.”.

22 **SEC. 204. COMMERCIALIZATION PILOT PROGRAM AT DE-**
23 **PARTMENT OF DEFENSE.**

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

1 (1) in paragraph (1)—

2 (A) by inserting “or Small Business Tech-
3 nology Transfer Program” after “Small Busi-
4 ness Innovation Research Program”; and

5 (B) by adding at the end the following:

6 “The authority to create and administer a Com-
7 mercialization Pilot Program under this sub-
8 section may not be construed to eliminate or re-
9 place any other SBIR program or STTR pro-
10 gram that enhances the insertion or transition
11 of SBIR or STTR technologies, including any
12 such program in effect on the date of enact-
13 ment of the National Defense Authorization Act
14 for Fiscal Year 2006 (Public Law 109–163;
15 119 Stat. 3136).”;

16 (2) in paragraph (2), by inserting “or Small
17 Business Technology Transfer Program” after
18 “Small Business Innovation Research Program”;

19 (3) by redesignating paragraphs (5) and (6) as
20 paragraphs (7) and (8), respectively;

21 (4) by inserting after paragraph (4) the fol-
22 lowing:

23 “(5) INSERTION INCENTIVES.—For any con-
24 tract with a value of not less than \$100,000,000, the
25 Secretary of Defense is authorized to—

1 “(A) establish goals for the transition of
2 Phase III technologies in subcontracting plans;
3 and

4 “(B) require a prime contractor on such a
5 contract to report the number and dollar
6 amount of contracts entered into by that prime
7 contractor for Phase III SBIR or STTR
8 projects.

9 “(6) GOAL FOR SBIR AND STTR TECHNOLOGY
10 INSERTION.—The Secretary of Defense shall—

11 “(A) set a goal to increase the number of
12 Phase II SBIR contracts and the number of
13 Phase II STTR contracts awarded by that Sec-
14 retary that lead to technology transition into
15 programs of record or fielded systems;

16 “(B) use incentives in effect on the date of
17 enactment of the SBIR/STTR Reauthorization
18 Act of 2009, or create new incentives, to en-
19 courage agency program managers and prime
20 contractors to meet the goal under subpara-
21 graph (A); and

22 “(C) include in the annual report to Con-
23 gress the percentage of contracts described in
24 subparagraph (A) awarded by that Secretary,
25 and information on the ongoing status of

1 projects funded through the Commercialization
2 Pilot Program and efforts to transition these
3 technologies into programs of record or fielded
4 systems.”; and

5 (5) in paragraph (8), as so redesignated, by
6 striking “fiscal year 2009” and inserting “fiscal year
7 2014”.

8 **SEC. 205. COMMERCIALIZATION PILOT PROGRAM FOR CI-**
9 **VILIAN AGENCIES.**

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

13 “(ee) PILOT PROGRAM.—

14 “(1) AUTHORIZATION.—The head of each cov-
15 ered Federal agency may set aside not more than 10
16 percent of the SBIR and STTR funds of such agen-
17 cy for further technology development, testing, and
18 evaluation of SBIR and STTR Phase II tech-
19 nologies.

20 “(2) APPLICATION BY FEDERAL AGENCY.—

21 “(A) IN GENERAL.—A covered Federal
22 agency may not establish a pilot program unless
23 such agency makes a written application to the
24 Administrator, not later than 90 days before to
25 the first day of the fiscal year in which the pilot

1 program is to be established, that describes a
2 compelling reason that additional investment in
3 SBIR or STTR technologies is necessary, in-
4 cluding unusually high regulatory, systems inte-
5 gration, or other costs relating to development
6 or manufacturing of identifiable, highly prom-
7 ising small business technologies or a class of
8 such technologies expected to substantially ad-
9 vance the mission of the agency.

10 “(B) DETERMINATION.—The Adminis-
11 trator shall—

12 “(i) make a determination regarding
13 an application submitted under subpara-
14 graph (A) not later than 30 days before
15 the first day of the fiscal year for which
16 the application is submitted;

17 “(ii) publish the determination in the
18 Federal Register; and

19 “(iii) make a copy of the determina-
20 tion and any related materials available to
21 the Committee on Small Business and En-
22 trepreneurship of the Senate and the Com-
23 mittee on Small Business of the House of
24 Representatives.

1 “(3) MAXIMUM AMOUNT OF AWARD.—The head
2 of a Federal agency may not make an award under
3 a pilot program in excess of 2 times the dollar
4 amounts generally established for Phase II awards
5 under subsection (j)(2)(D) or (p)(2)(B)(ix).

6 “(4) MATCHING.—The head of a Federal agen-
7 cy may not make an award under a pilot program
8 unless new private, Federal non-SBIR, or Federal
9 non-STTR funding which at least matches the
10 award from the Federal agency is provided for SBIR
11 or STTR Phase II technology.

12 “(5) ELIGIBILITY FOR AWARD.—The head of a
13 Federal agency may make an award under a pilot
14 program to any applicant that is eligible to receive
15 a Phase III award related to technology developed in
16 Phase II of an SBIR or STTR project.

17 “(6) REGISTRATION.—Any applicant that re-
18 ceives an award under a pilot program shall register
19 with the Administrator in a registry that is available
20 to the public.

21 “(7) TERMINATION.—The authority to establish
22 a pilot program under this section expires at the end
23 of fiscal year 2014.

24 “(8) DEFINITIONS.—In this section—

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

1 “(i) means a Federal agency partici-
2 pating in the SBIR program or the STTR
3 program; and

4 “(ii) does not include the Department
5 of Defense; and

6 “(B) the term ‘pilot program’ means the
7 program established under paragraph (1).”.

8 **SEC. 206. NANOTECHNOLOGY INITIATIVE.**

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

12 “(ff) NANOTECHNOLOGY INITIATIVE.—Each Federal
13 agency participating in the SBIR or STTR program shall
14 encourage the submission of applications for support of
15 nanotechnology related projects to such program.”.

16 (b) SUNSET.—Effective October 1, 2014, subsection
17 (ff) of the Small Business Act, as added by subsection (a)
18 of this section, is repealed.

19 **SEC. 207. ACCELERATING CURES.**

20 The Small Business Act (15 U.S.C. 631 et seq.) is
21 amended—

22 (1) by redesignating section 44 as section 45;

23 and

24 (2) by inserting after section 43 the following:

1 **“SEC. 44. SMALL BUSINESS INNOVATION RESEARCH PRO-**
2 **GRAM.**

3 “(a) NIH CURES PILOT.—

4 “(1) ESTABLISHMENT.—An independent advi-
5 sory board shall be established at the National Acad-
6 emy of Sciences (in this section referred to as the
7 ‘advisory board’) to conduct periodic evaluations of
8 the SBIR program (as that term is defined in sec-
9 tion 9) of each of the National Institutes of Health
10 (referred to in this section as the ‘NIH’) institutes
11 and centers for the purpose of improving the man-
12 agement of the SBIR program through data-driven
13 assessment.

14 “(2) MEMBERSHIP.—

15 “(A) IN GENERAL.—The advisory board
16 shall consist of—

17 “(i) the Director of the NIH;

18 “(ii) the Director of the SBIR pro-
19 gram of the NIH;

20 “(iii) senior NIH agency managers,
21 selected by the Director of NIH;

22 “(iv) industry experts, selected by the
23 Council of the National Academy of
24 Sciences in consultation with the Associate
25 Administrator for Technology of the Ad-

1 ministration and the Director of the Office
2 of Science and Technology Policy; and

3 “(v) owners or operators of small
4 business concerns that have received an
5 award under the SBIR program of the
6 NIH, selected by the Associate Adminis-
7 trator for Technology of the Administra-
8 tion.

9 “(B) NUMBER OF MEMBERS.—The total
10 number of members selected under clauses (iii),
11 (iv), and (v) of subparagraph (A) shall not ex-
12 ceed 10.

13 “(C) EQUAL REPRESENTATION.—The total
14 number of members of the advisory board se-
15 lected under clauses (i), (ii), (iii), and (iv) of
16 subparagraph (A) shall be equal to the number
17 of members of the advisory board selected
18 under subparagraph (A)(v).

19 “(b) ADDRESSING DATA GAPS.—In order to enhance
20 the evidence-base guiding SBIR program decisions and
21 changes, the Director of the SBIR program of the NIH
22 shall address the gaps and deficiencies in the data collec-
23 tion concerns identified in the 2007 report of the National
24 Academies of Science entitled ‘An Assessment of the Small
25 Business Innovation Research Program at the NIH’.

1 “(c) PILOT PROGRAM.—

2 “(1) IN GENERAL.—The Director of the SBIR
3 program of the NIH may initiate a pilot program,
4 under a formal mechanism for designing, imple-
5 menting, and evaluating pilot programs, to spur in-
6 novation and to test new strategies that may en-
7 hance the development of cures and therapies.

8 “(2) CONSIDERATIONS.—The Director of the
9 SBIR program of the NIH may consider conducting
10 a pilot program to include individuals with success-
11 ful SBIR program experience in study sections, hir-
12 ing individuals with small business development ex-
13 perience for staff positions, separating the commer-
14 cial and scientific review processes, and examining
15 the impact of the trend toward larger awards on the
16 overall program.

17 “(d) REPORT TO CONGRESS.—The Director of the
18 NIH shall submit an annual report to Congress and the
19 advisory board on the activities of the SBIR program of
20 the NIH under this section.

21 “(e) SBIR GRANTS AND CONTRACTS.—

22 “(1) IN GENERAL.—In awarding grants and
23 contracts under the SBIR program of the NIH each
24 SBIR program manager shall place an emphasis on
25 applications that identify products and services that

1 may enhance the development of cures and thera-
2 pies.

3 “(2) EXAMINATION OF COMMERCIALIZATION
4 AND OTHER METRICS.—The advisory board shall
5 evaluate the implementation of the requirement
6 under paragraph (1) by examining increased com-
7 mercialization and other metrics, to be determined
8 and collected by the SBIR program of the NIH.

9 “(3) PHASE I AND II.—To the greatest extent
10 practicable, the Director of the SBIR program of
11 the NIH shall reduce the time period between Phase
12 I and Phase II funding of grants and contracts
13 under the SBIR program of the NIH to 6 months.

14 “(f) LIMIT.—Not more than a total of 1 percent of
15 the extramural budget (as defined in section 9 of the
16 Small Business Act (15 U.S.C. 638)) of the NIH for re-
17 search or research and development may be used for the
18 pilot program under subsection (c) and to carry out sub-
19 section (e).

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

1 **TITLE III—OVERSIGHT AND**
2 **EVALUATION**

3 **SEC. 301. STREAMLINING ANNUAL EVALUATION REQUIRE-**
4 **MENTS.**

5 Section 9(b) of the Small Business Act (15 U.S.C.
6 638(b)), as amended by section 102 of this Act, is amend-
7 ed—

8 (1) in paragraph (7)—

9 (A) by striking “STTR programs, includ-
10 ing the data” and inserting the following:
11 “STTR programs, including—

12 “(A) the data”;

13 (B) by striking “(g)(10), (o)(9), and
14 (o)(15), the number” and all that follows
15 through “under each of the SBIR and STTR
16 programs, and a description” and inserting the
17 following: “(g)(8) and (o)(9); and

18 “(B) the number of proposals received
19 from, and the number and total amount of
20 awards to, HUBZone small business concerns
21 and firms with venture capital investment (in-
22 cluding those majority owned and controlled by
23 multiple venture capital firms) under each of
24 the SBIR and STTR programs;

1 “(C) a description of the extent to which
2 each Federal agency is increasing outreach and
3 awards to firms owned and controlled by women
4 and minorities under each of the SBIR and
5 STTR programs;

6 “(D) general information about the imple-
7 mentation and compliance with the allocation of
8 funds required under subsection (cc) for firms
9 majority owned and controlled by multiple ven-
10 ture capital firms under each of the SBIR and
11 STTR programs;

12 “(E) a detailed description of appeals of
13 Phase III awards and notices of noncompliance
14 with the SBIR and the STTR Policy Directives
15 filed by the Administrator with Federal agen-
16 cies; and

17 “(F) a description”; and

18 (2) by inserting after paragraph (7) the fol-
19 lowing:

20 “(8) to coordinate the implementation of elec-
21 tronic databases at each of the Federal agencies par-
22 ticipating in the SBIR program or the STTR pro-
23 gram, including the technical ability of the partici-
24 pating agencies to electronically share data;”.

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

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

4 (1) by striking paragraph (10);

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

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

9 “(8) collect annually, and maintain in a com-
10 mon format in accordance with the simplified report-
11 ing requirements under subsection (v), such informa-
12 tion from awardees as is necessary to assess the
13 SBIR program, including information necessary to
14 maintain the database described in subsection (k),
15 including—

16 “(A) whether an awardee—

17 “(i) has venture capital or is majority
18 owned and controlled by multiple venture
19 capital firms, and, if so—

20 “(I) the amount of venture cap-
21 ital that the awardee has received as
22 of the date of the award; and

23 “(II) the amount of additional
24 capital that the awardee has invested
25 in the SBIR technology;

26 “(ii) has an investor that—

1 “(I) is an individual who is not a
2 citizen of the United States or a law-
3 ful permanent resident of the United
4 States, and if so, the name of any
5 such individual; or

6 “(II) is a person that is not an
7 individual and is not organized under
8 the laws of a State or the United
9 States, and if so the name of any such
10 person;

11 “(iii) is owned by a woman or has a
12 woman as a principal investigator;

13 “(iv) is owned by a socially or eco-
14 nomically disadvantaged individual or has
15 a socially or economically disadvantaged
16 individual as a principal investigator;

17 “(v) received assistance under the
18 FAST program under section 34 or the
19 outreach program under subsection (s); or

20 “(vi) is a faculty member or a student
21 of an institution of higher education, as
22 that term is defined in section 101 of the
23 Higher Education Act of 1965 (20 U.S.C.
24 1001); and

1 “(B) a justification statement from the
 2 agency, if an awardee receives an award in an
 3 amount that is more than the award guidelines
 4 under this section;” and
 5 (4) in paragraph (10), as so redesignated, by
 6 adding “and” at the end.

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

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

10 (1) by striking paragraph (9) and inserting the
 11 following:

12 “(9) collect annually, and maintain in a com-
 13 mon format in accordance with the simplified report-
 14 ing requirements under subsection (v), such informa-
 15 tion from applicants and awardees as is necessary to
 16 assess the STTR program outputs and outcomes, in-
 17 cluding information necessary to maintain the data-
 18 base described in subsection (k), including—

19 “(A) whether an applicant or awardee—

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

23 “(I) the amount of venture cap-
 24 ital that the applicant or awardee has

1 received as of the date of the applica-
2 tion or award, as applicable; and

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

6 “(ii) has an investor that—

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

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

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

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

23 “(v) received assistance under the
24 FAST program under section 34 or the
25 outreach program under subsection (s); or

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

6 “(B) if an awardee receives an award in an
7 amount that is more than the award guidelines
8 under this section, a statement from the agency
9 that justifies the award amount;”;

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

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

13 (4) by redesignating paragraph (16) as para-
14 graph (15).

15 **SEC. 304. PUBLIC DATABASE.**

16 Section 9(k)(1) of the Small Business Act (15 U.S.C.
17 638(k)(1)) is amended—

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

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

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

23 “(F) for each small business concern that
24 has received a Phase I or Phase II SBIR or

1 STTR award from a Federal agency, whether
2 the small business concern—

3 “(i) has venture capital and, if so,
4 whether the small business concern is reg-
5 istered as majority owned and controlled
6 by multiple venture capital companies as
7 required under subsection (cc)(3);

8 “(ii) is owned by a woman or has a
9 woman as a principal investigator;

10 “(iii) is owned by a socially or eco-
11 nomically disadvantaged individual or has
12 a socially or economically disadvantaged
13 individual as a principal investigator;

14 “(iv) received assistance under the
15 FAST program under section 34 or the
16 outreach program under subsection (s); or

17 “(v) is owned by a faculty member or
18 a student of an institution of higher edu-
19 cation, as that term is defined in section
20 101 of the Higher Education Act of 1965
21 (20 U.S.C. 1001).”.

22 **SEC. 305. GOVERNMENT DATABASE.**

23 Section 9(k)(2) of the Small Business Act (15 U.S.C.
24 638(k)(2)) is amended—

1 (1) by redesignating subparagraphs (C), (D),
2 and (E) as subparagraphs (D), (E), and (F), respec-
3 tively;

4 (2) by inserting after subparagraph (B) the fol-
5 lowing:

6 “(C) includes, for each awardee—

7 “(i) the name, size, location, and any
8 identifying number assigned to the award-
9 ee by the Administrator;

10 “(ii) whether the awardee has venture
11 capital, and, if so—

12 “(I) the amount of venture cap-
13 ital as of the date of the award;

14 “(II) the percentage of ownership
15 of the awardee held by a venture cap-
16 ital firm, including whether the
17 awardee is majority owned and con-
18 trolled by multiple venture capital
19 firms; and

20 “(III) the amount of additional
21 capital that the awardee has invested
22 in the SBIR technology, which infor-
23 mation shall be collected on an annual
24 basis;

1 “(iii) the names and locations of any
2 affiliates of the awardee;

3 “(iv) the number of employees of the
4 awardee;

5 “(v) the number of employees of the
6 affiliates of the awardee; and

7 “(vi) the names of, and the percent-
8 age of ownership of the awardee held by—

9 “(I) any individual who is not a
10 citizen of the United States or a law-
11 ful permanent resident of the United
12 States; or

13 “(II) any person that is not an
14 individual and is not organized under
15 the laws of a State or the United
16 States;” and

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

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

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

21 “(iv) whether the applicant was ma-
22 jority owned and controlled by multiple
23 venture capital firms; and

24 “(v) the number of employees of the
25 applicant;”.

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

2 (a) IN GENERAL.—Not later than 1 year after the
3 date of enactment of this Act, and every 3 years there-
4 after, the Comptroller General of the United States
5 shall—

6 (1) conduct a fiscal and management audit of
7 the SBIR program and the STTR program for the
8 applicable period to—

9 (A) determine whether Federal agencies
10 comply with the expenditure amount require-
11 ments under subsections (f)(1) and (n)(1) of
12 section 9 of the Small Business Act (15 U.S.C.
13 638), as amended by this Act;

14 (B) assess the extent of compliance with
15 the requirements of section 9(i)(2) of the Small
16 Business Act (15 U.S.C. 638(i)(2)) by Federal
17 agencies participating in the SBIR program or
18 the STTR program and the Administration;

19 (C) assess whether it would be more con-
20 sistent and effective to base the amount of the
21 allocations under the SBIR program and the
22 STTR program on a percentage of the research
23 and development budget of a Federal agency,
24 rather than the extramural budget of the Fed-
25 eral agency; and

1 (D) determine the portion of the extra-
2 mural research or research and development
3 budget of a Federal agency that each Federal
4 agency spends for administrative purposes re-
5 lating to the SBIR program or STTR program,
6 and for what specific purposes, including the
7 portion, if any, of such budget the Federal
8 agency spends for salaries and expenses, travel
9 to visit applicants, outreach events, marketing,
10 and technical assistance; and

11 (2) submit a report to the Committee on Small
12 Business and Entrepreneurship of the Senate and
13 the Committee on Small Business of the House of
14 Representatives regarding the audit conducted under
15 paragraph (1), including the assessments required
16 under subparagraphs (B) and (C), and the deter-
17 mination made under subparagraph (D) of para-
18 graph (1).

19 (b) DEFINITION OF APPLICABLE PERIOD.—In this
20 section, the term “applicable period” means—

21 (1) for the first report submitted under this
22 section, the period beginning on October 1, 2000,
23 and ending on September 30 of the last full fiscal
24 year before the date of enactment of this Act for
25 which information is available; and

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

3 (A) beginning on October 1 of the first fis-
4 cal year after the end of the most recent full
5 fiscal year relating to which a report under this
6 section was submitted; and

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

9 **SEC. 307. CONTINUED EVALUATION BY THE NATIONAL**
10 **ACADEMY OF SCIENCES.**

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

14 “(e) EXTENSIONS AND ENHANCEMENTS OF AUTHOR-
15 ITY.—

16 “(1) IN GENERAL.—Not later than 6 months
17 after the date of enactment of the SBIR/STTR Re-
18 authorization Act of 2009, the head of each agency
19 described in subsection (a), in consultation with the
20 Small Business Administration, shall cooperatively
21 enter into an agreement with the National Academy
22 of Sciences for the National Research Council to
23 conduct a study described in subsection (a)(1) and
24 make recommendations described in subsection
25 (a)(2) not later than 4 years after the date of enact-

1 ment of the SBIR/STTR Reauthorization Act of
2 2009, and every 4 years thereafter.

3 “(2) REPORTING.—An agreement under para-
4 graph (1) shall require that not later than 4 years
5 after the date of enactment of the SBIR/STTR Re-
6 authorization Act of 2009, and every 4 years there-
7 after, the National Research Council shall submit to
8 the head of the agency entering into the agreement,
9 the Committee on Small Business and Entrepre-
10 neurship of the Senate, and the Committee on Small
11 Business of the House of Representatives a report
12 regarding the study conducted under paragraph (1)
13 and containing the recommendations described in
14 paragraph (1).”.

15 **SEC. 308. TECHNOLOGY INSERTION REPORTING REQUIRE-**
16 **MENTS.**

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

20 “(gg) PHASE III REPORTING.—The annual SBIR or
21 STTR report to Congress by the Administration under
22 subsection (b)(7) shall include, for each Phase III award
23 made by the Federal agency—

1 “(1) the name of the agency or component of
2 the agency or the non-Federal source of capital mak-
3 ing the Phase III award;

4 “(2) the name of the small business concern or
5 individual receiving the Phase III award; and

6 “(3) the dollar amount of the Phase III
7 award.”.

8 **SEC. 309. INTELLECTUAL PROPERTY PROTECTIONS.**

9 (a) IN GENERAL.—The Comptroller General of the
10 United States shall conduct a study of the SBIR program
11 to assess whether—

12 (1) Federal agencies comply with the data
13 rights protections for SBIR awardees and the tech-
14 nologies of SBIR awardees under section 9 of the
15 Small Business Act (15 U.S.C. 638);

16 (2) the laws and policy directives intended to
17 clarify the scope of data rights, including in proto-
18 types and mentor-protégé relationships and agree-
19 ments with Federal laboratories, are sufficient to
20 protect SBIR awardees; and

21 (3) there is an effective grievance tracking proc-
22 ess for SBIR awardees who have grievances against
23 a Federal agency regarding data rights and a proc-
24 ess for resolving those grievances.

1 (b) REPORT.—Not later than 18 months after the
2 date of enactment of this Act, the Comptroller General
3 shall submit to the Committee on Small Business and En-
4 trepreneurship of the Senate and the Committee on Small
5 Business of the House of Representatives a report regard-
6 ing the study conducted under subsection (a).

7 **TITLE IV—POLICY DIRECTIVES**

8 **SEC. 401. CONFORMING AMENDMENTS TO THE SBIR AND** 9 **THE STTR POLICY DIRECTIVES.**

10 (a) IN GENERAL.—Not later than 180 days after the
11 date of enactment of this Act, the Administrator shall pro-
12 mulgate amendments to the SBIR Policy Directive and
13 the STTR Policy Directive to conform such directives to
14 this Act and the amendments made by this Act.

15 (b) PUBLISHING SBIR POLICY DIRECTIVE AND THE
16 STTR POLICY DIRECTIVE IN THE FEDERAL REGISTER.—
17 Not later than 180 days after the date of enactment of
18 this Act, the Administrator shall publish the amended
19 SBIR Policy Directive and the amended STTR Policy Di-
20 rective in the Federal Register.

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