

Calendar No. 94111TH CONGRESS
1ST SESSION**S. 1233****[Report No. 111-37]**

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, Ms. SNOWE, Mrs. SHAHEEN, Mr. PRYOR, Mr. KERRY, Mr. CARDIN, and Mr. BROWN) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

JULY 2, 2009

Reported under authority of the order of the Senate of June 25, 2009, by Ms. LANDRIEU, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “SBIR/STTR Reauth-
3 thorization 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 H 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
9 Transfer Program”, and “STTR” have the mean-
10 ings given such terms in section 9 of the Small Busi-
11 ness Act (15 U.S.C. 638); and

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

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

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

18 (a) SBIR.—Section 9(m) of the Small Business Act
19 (15 U.S.C. 638(m)) is amended by striking “2008” and
20 inserting “2023”.

21 (b) STTR.—Section 9(n)(1)(A) of the Small Busi-
22 ness Act (15 U.S.C. 638(n)(1)(A)) is amended by striking
23 “2009” and inserting “2023”.

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

25 Section 9(b) of the Small Business Act (15 U.S.C.
26 638(b)) is amended—

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

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

5 (3) by redesignating paragraph (8) as para-
6 graph (9); and

7 (4) by adding at the end the following:

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

11 “(A) headed by the Assistant Adminis-
12 trator for Technology, who shall report directly
13 to the Administrator; and

14 “(B) independent from the Office of Gov-
15 ernment Contracting of the Administration and
16 sufficiently staffed and funded to comply with
17 the oversight, reporting, and public database re-
18 sponsibilities assigned to the Office of Tech-
19 nology by the Administrator.”.

20 **SEC. 103. SBIR ALLOCATION INCREASE.**

21 Section 9(f) of the Small Business Act (15 U.S.C.
22 638(f)) is amended—

23 (1) in paragraph (1)—

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

4 (B) in subparagraph (B), by striking
5 “and” at the end; and

6 (C) by striking subparagraph (C) and in-
7 serting the following:

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

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

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

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

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

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

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

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

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

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

3 “(M) not less than 3.5 percent of such
4 budget in fiscal year 2020 and each fiscal year
5 thereafter;” and

6 (2) in paragraph (2)—

7 (A) by redesignating subparagraphs (A)
8 and (B) as clauses (i) and (ii), respectively, and
9 adjusting the margins accordingly;

10 (B) by striking “A Federal agency” and
11 inserting the following:

12 “(A) IN GENERAL.—A Federal agency”;
13 and

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

15 “(B) DEPARTMENT OF DEFENSE AND DE-
16 PARTMENT OF ENERGY.—For the Department
17 of Defense and the Department of Energy, to
18 the greatest extent practicable, the percentage
19 of the extramural budget in excess of 2.5 per-
20 cent required to be expended with small busi-
21 ness concerns under subparagraphs (D)
22 through (M) of paragraph (1)—

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

1 “(ii) shall be used for activities that
 2 further the readiness levels of technologies
 3 developed under Phase II awards, includ-
 4 ing conducting testing and evaluation to
 5 promote the transition of such technologies
 6 into commercial or defense products, or
 7 systems furthering the mission needs of
 8 the Department of Defense or the Depart-
 9 ment of Energy, as the case may be.

10 “(C) DEPARTMENT OF HEALTH AND
 11 HUMAN SERVICES.—Subparagraphs (D)
 12 through (M) of paragraph (1) shall not apply to
 13 the Department of Health and Human Services.
 14 For fiscal year 2009, and each fiscal year there-
 15 after, the Department of Health and Human
 16 Services shall expend with small business con-
 17 cerns not less than 2.5 percent of the extra-
 18 mural budget for research or research and de-
 19 velopment of the Department of Health and
 20 Human Services.”.

21 **SEC. 104. STTR ALLOCATION INCREASE.**

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

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

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

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

4 “(iii) 0.4 percent for fiscal years 2011
5 and 2012;

6 “(iv) 0.5 percent for fiscal years 2013
7 and 2014; and

8 “(v) 0.6 percent for fiscal year 2015
9 and each fiscal year thereafter.”.

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

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

14 (1) by striking “\$100,000” and inserting
15 “\$150,000”; and

16 (2) by striking “\$750,000” and inserting
17 “\$1,000,000”.

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

21 (1) by striking “\$100,000” and inserting
22 “\$150,000”; and

23 (2) by striking “\$750,000” and inserting
24 “\$1,000,000”.

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

3 (1) in subsection (j)(2)(D)—

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

6 (B) by striking “and programmatic consid-
7 erations”; and

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

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

16 “(aa) LIMITATION ON CERTAIN AWARDS.—

17 “(1) LIMITATION.—No Federal agency may
18 issue an award under the SBIR program or the
19 STTR program if the size of the award exceeds the
20 award guidelines established under this section by
21 more than 50 percent.

22 “(2) MAINTAINANCE OF INFORMATION.—Parti-
23 cipating agencies shall maintain information on
24 awards exceeding the guidelines established under
25 this section, including—

1 “(A) the amount of each award;

2 “(B) a justification for exceeding the
3 award amount;

4 “(C) the identity and location of each
5 award recipient; and

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

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

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

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

18 “(bb) SUBSEQUENT PHASES.—

19 “(1) AGENCY COLLABORATION.—A small busi-
20 ness concern that received an award from a Federal
21 agency under this section shall be eligible to receive
22 an award for a subsequent phase from another Fed-
23 eral agency, if the head of each relevant Federal
24 agency or the relevant component of the Federal
25 agency makes a written determination that the top-

1 ies of the relevant awards are the same and both
2 agencies report the awards to the Administrator for
3 inclusion in the public database under subsection
4 (k).

5 “(2) SBIR AND STTR COLLABORATION.—A
6 small business concern which received an award
7 under this section under the SBIR program or the
8 STTR program may receive an award under this
9 section for a subsequent phase in either the SBIR
10 program or the STTR program and the partici-
11 pating agency or agencies shall report the awards to
12 the Administrator for inclusion in the public data-
13 base under subsection (k).”.

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

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

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

22 (2) in paragraph (6)(B), by striking “to further
23 develop proposed ideas to” and inserting “which
24 shall not include any invitation, pre-screening, pre-
25 selection, or down-selection process for eligibility for

1 the second phase, that will further develop proposals
2 that”.

3 (b) ~~TECHNICAL AND CONFORMING AMENDMENTS.—~~

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

6 (1) in section 9—

7 (A) in subsection (c)—

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

10 (ii) in paragraph (9)—

11 (I) by striking “the second or the
12 third phase” and inserting “Phase II
13 or Phase III”; and

14 (II) by striking the period at the
15 end and inserting a semicolon; and

16 (iii) by adding at the end the fol-
17 lowing:

18 “(10) the term ‘Phase I’ means—

19 “(A) with respect to the SBIR program;
20 the first phase described in paragraph (4)(A);
21 and

22 “(B) with respect to the STTR program;
23 the first phase described in paragraph (6)(A);

24 “(11) the term ‘Phase II’ means—

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

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

7 “(12) the term ‘Phase III’ means—

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

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

14 (B) in subsection (j)—

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

17 (ii) in paragraph (2)—

18 (I) in subparagraph (B)—

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

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

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

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

17 (C) in subsection (k)—

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

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

23 (D) in subsection (l)(2)—

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

1 (ii) by striking “the second phase”
2 and 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
17 III”; and

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

1 (i) in the subsection heading, by strik-
2 ing “THIRD PHASE” and inserting
3 “PHASE 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
11 III”; 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
21 III”; 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
2 “the first phase” and inserting “Phase I”;
3 (2) in section 34—

4 (A) in subsection (e)(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(e)(2)(B)(vii), by striking
17 “third 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
21 Act (15 U.S.C. 638), as amended by this Act, is amended
22 by adding at the end the following:

23 “(ee) 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 Com-
4 mittee on Small Business and Entrepreneurship
5 of the Senate and the Committee on Small
6 Business of the House of Representatives—

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

22 “(ii) the head of any other Federal
23 agency participating in the SBIR program
24 may award not more than 8 percent of the
25 SBIR funds of the Federal agency allo-

1 eated in accordance with this Act, in the
2 first full fiscal year beginning after the
3 date of enactment of this subsection, and
4 each fiscal year thereafter, to small busi-
5 ness concerns that are majority owned by
6 venture capital companies and that satisfy
7 the qualification requirements under para-
8 graph (2) through competitive, merit-based
9 procedures that are open to all eligible
10 small business concerns.

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

21 “(2) QUALIFICATION REQUIREMENTS.—The
22 Administrator shall establish requirements relating
23 to the affiliation by small business concerns with
24 venture capital companies, which may not exclude a
25 United States small business concern from participa-

1 tion in the program under paragraph (1) on the
2 basis that the small business concern is owned in
3 majority part by, or controlled by, more than 1
4 United States venture capital company, so long as
5 no single venture capital company owns more than
6 49 percent of the small business concern.

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

12 “(A) register with the Administrator on
13 the date that the small business concern sub-
14 mits an application for an award under the
15 SBIR program; and

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

19 “(4) COMPLIANCE.—A Federal agency de-
20 scribed in paragraph (1) shall collect data regarding
21 the number and dollar amounts of phase I, phase II,
22 and all other categories of awards under the SBIR
23 program, and the Administrator shall report on the
24 data and the compliance of each such Federal agen-
25 cy with the maximum amounts under paragraph (1)

1 as part of the annual report by the Administration
2 under subsection (b)(7).

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

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

17 “(t) VENTURE CAPITAL COMPANY.—In this Act, the
18 term ‘venture capital company’ means an entity described
19 in clause (i), (v), or (vi) of section 121.103(b)(5) of title
20 13, Code of Federal Regulations (or any successor there-
21 to).”.

22 (c) ASSISTANCE FOR DETERMINING AFFILIATES.—
23 Not later than 30 days after the date of enactment of this
24 Act, the Administrator shall post on the website of the
25 Administration (with a direct link displayed on the home-

1 page of the website of the Administration or the SBIR
2 website of the Administration)—

3 (1) a clear explanation of the SBIR affiliation
4 rules under part 121 of title 13, Code of Federal
5 Regulations; and

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

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

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

14 **SEC. 109. SBIR AND STTR SPECIAL ACQUISITION PREF-**
15 **ERENCE.**

16 Section 9(r) of the Small Business Act (15 U.S.C.
17 638(r)) is amended by adding at the end the following:

18 “(4) PHASE III AWARDS.—To the greatest ex-
19 tent practicable, Federal agencies and Federal prime
20 contractors shall issue Phase III awards relating to
21 technology, including sole source awards, to the
22 SBIR and STTR award recipients that developed
23 the technology.”.

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 pating 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
 15 research and development center for portions of
 16 the activities to be performed under that award;
 17 or

18 “(B) has entered into a cooperative re-
 19 search and development agreement (as defined
 20 in section 12(d) of the Stevenson-Wydler Tech-
 21 nology Innovation Act of 1980 (15 U.S.C.
 22 3710a(d))) with a Federal laboratory.

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

24 “(A) condition an SBIR or STTR award
 25 upon entering into agreement with any Federal
 26 laboratory or any federally funded laboratory or

1 research and development center for any por-
2 tion of the activities to be performed under that
3 award;

4 “(B) approve an agreement between a
5 small business concern receiving a SBIR or
6 STTR award and a Federal laboratory or feder-
7 ally funded laboratory or research and develop-
8 ment center, if the small business concern per-
9 forms a lesser portion of the activities to be
10 performed under that award than required by
11 this section and by the SBIR Policy Directive
12 and the STTR Policy Directive of the Adminis-
13 trator; or

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

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

23 “(A) have the flexibility to use the re-
24 sources of the Federal laboratories and feder-

1 ally funded research and development centers;
2 and

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

7 **SEC. 111. NOTICE REQUIREMENT.**

8 The head of any Federal agency involved in a case
9 of controversy before any Federal judicial or administra-
10 tive tribunal concerning the SBIR program or the STTR
11 program shall provide timely notice, as determined by the
12 Administrator, of the case or controversy to the Adminis-
13 trator.

14 **TITLE II—OUTREACH AND COM-**
15 **MERCIALIZATION INITIA-**
16 **TIVES**

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

18 (a) **OUTREACH.**—Section 9 of the Small Business Act
19 (15 U.S.C. 638) is amended by inserting after subsection
20 (r) the following:

21 “(s) **OUTREACH.**—

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

24 “(A) for which the total value of contracts
25 awarded to the State under this section during

1 the most recent fiscal year for which data is
2 available was less than \$5,000,000; and

3 ~~“(B) that certifies to the Administrator~~
4 ~~that the State will, upon receipt of assistance~~
5 ~~under this subsection, provide matching funds~~
6 ~~from non-Federal sources in an amount that is~~
7 ~~not less than 50 percent of the amount provided~~
8 ~~under this subsection.~~

9 ~~“(2) PROGRAM AUTHORITY.—Of amounts made~~
10 ~~available to carry out this section for each of fiscal~~
11 ~~years 2010 through 2014, the Administrator may~~
12 ~~expend with eligible States not more than~~
13 ~~\$5,000,000 in each such fiscal year in order to in-~~
14 ~~crease the participation of small business concerns~~
15 ~~located in those States in the programs under this~~
16 ~~section.~~

17 ~~“(3) AMOUNT OF ASSISTANCE.—The amount of~~
18 ~~assistance provided to an eligible State under this~~
19 ~~subsection in any fiscal year—~~

20 ~~“(A) shall be equal to not more than 50~~
21 ~~percent of the total amount of matching funds~~
22 ~~from non-Federal sources provided by the~~
23 ~~State; and~~

24 ~~“(B) shall not exceed \$100,000.~~

1 “(4) USE OF ASSISTANCE.—Assistance provided
2 to an eligible State under this subsection shall be
3 used by the State, in consultation with State and
4 local departments and agencies, for programs and
5 activities to increase the participation of small busi-
6 ness concerns located in the State in the programs
7 under this section, including—

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

10 “(i) the number of program awards
11 under this section made to small business
12 concerns in the State; and

13 “(ii) the total amount of Federal re-
14 search and development contracts awarded
15 to small business concerns in the State;

16 “(B) the provision of competition outreach
17 support to small business concerns in the State
18 that are involved in research and development;
19 and

20 “(C) the development and dissemination of
21 educational and promotional information relat-
22 ing to the programs under this section to small
23 business concerns in the State.”.

1 (b) ~~FEDERAL AND STATE PROGRAM EXTENSION.~~—
 2 Section 34 of the Small Business Act (15 U.S.C. 657d)
 3 is amended—

4 (1) in subsection (h), by striking “2001
 5 through 2005” each place it appears and inserting
 6 “2010 through 2014”; and

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

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

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

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

15 “~~(C) RURAL AREAS.~~—

16 “~~(i) IN GENERAL.~~—Except as pro-
 17 vided in clause (ii), the non-Federal share
 18 of the cost of the activity carried out using
 19 an award or under a cooperative agree-
 20 ment under this section shall be 50 cents
 21 for each Federal dollar that will be directly
 22 allocated by a recipient described in para-
 23 graph (A) to serve small business concerns
 24 located in a rural area.

1 “(ii) ENHANCED RURAL AWARDS.—
 2 For a recipient located in a rural area that
 3 is 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 35 cents for
 8 each Federal dollar that will be directly al-
 9 located by a recipient described in para-
 10 graph (A) to serve small business concerns
 11 located in 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
 16 of 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 commu-
 23 nity to provide workforce development opportunities for
 24 college students, in the fields of science, technology, engi-

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

3 (b) ELIGIBLE ENTITIES DEFINED.—In this section
4 the term “eligible entity” means a grantee receiving a
5 grant under the SBIR Program on the date of the bonus
6 grant under subsection (a) that provides an internship
7 program 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
10 II grant, as applicable, with a total award maximum of
11 not more than \$10,000 per year.

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

16 (e) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated to carry out this sec-
18 tion—

19 (1) \$1,000,000 for fiscal year 2011;

20 (2) \$1,000,000 for fiscal year 2012;

21 (3) \$1,000,000 for fiscal year 2013;

22 (4) \$1,000,000 for fiscal year 2014; and

23 (5) \$1,000,000 for fiscal year 2015.

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

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

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

6 (2) in subparagraph (B)—

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

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

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

13 “(C) FLEXIBILITY.—In carrying out sub-
14 paragraphs (A) and (B), each Federal agency
15 shall provide the allowable amounts to a recipi-
16 ent that meets the eligibility requirements
17 under the applicable subparagraph, if the re-
18 cipient requests to seek technical assistance
19 from an individual or entity other than the ven-
20 dor selected under paragraph (2) by the Fed-
21 eral agency.

22 “(D) LIMITATION.—A Federal agency may
23 not—

24 “(i) use the amounts authorized under
25 subparagraph (A) or (B) unless the vendor

1 selected under paragraph (2) provides the
2 technical assistance to the recipient; or

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

8 **SEC. 204. COMMERCIALIZATION PILOT PROGRAM AT DE-**
9 **PARTMENT OF DEFENSE.**

10 Section 9(y) of the Small Business Act (15 U.S.C.
11 ~~638(y))~~ is amended—

12 (1) in paragraph (1)—

13 (A) by inserting “or Small Business Tech-
14 nology Transfer Program” after “Small Busi-
15 ness Innovation Research Program”; and

16 (B) by adding at the end the following:
17 “~~The authority to create and administer a Com-~~
18 ~~mercialization Pilot Program under this sub-~~
19 ~~section may not be construed to eliminate or re-~~
20 ~~place any other SBIR program or STTR pro-~~
21 ~~gram that enhances the insertion or transition~~
22 ~~of SBIR or STTR technologies, including any~~
23 ~~such program in effect on the date of enact-~~
24 ~~ment of the National Defense Authorization Act~~

1 for Fiscal Year 2006 (Public Law 109-163;
2 119 Stat. 3136).”;

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

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

8 (4) by inserting after paragraph (4) the fol-
9 lowing:

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

13 “(A) establish goals for the transition of
14 Phase III technologies in subcontracting plans;
15 and

16 “(B) require a prime contractor on such a
17 contract to report the number and dollar
18 amount of contracts entered into by that prime
19 contractor for Phase III SBIR or STTR
20 projects.

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

23 “(A) set a goal to increase the number of
24 Phase II SBIR contracts and the number of
25 Phase II STTR contracts awarded by that Sec-

retary that lead to technology transition into programs of record or fielded systems;

“(B) use incentives in effect on the date of enactment of the SBIR/STTR Reauthorization Act of 2009, or create new incentives, to encourage agency program managers and prime contractors to meet the goal under subparagraph (A); and

“(C) include in the annual report to Congress the percentage of contracts described in subparagraph (A) awarded by that Secretary, and information on the ongoing status of projects funded through the Commercialization Pilot Program and efforts to transition these technologies into programs of record or fielded systems.”; and

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

SEC. 205. COMMERCIALIZATION PILOT PROGRAM FOR CIVILIAN AGENCIES.

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

“(ee) PILOT PROGRAM.—

1 “(1) AUTHORIZATION.—The head of each cov-
2 ered Federal agency may set aside not more than 10
3 percent of the SBIR and STTR funds of such agen-
4 cy for further technology development, testing, and
5 evaluation of SBIR and STTR Phase II tech-
6 nologies.

7 “(2) APPLICATION BY FEDERAL AGENCY.—

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

22 “(B) DETERMINATION.—The Adminis-
23 trator shall—

24 “(i) make a determination regarding
25 an application submitted under subpara-

1 graph (A) not later than 30 days before
2 the first day of the fiscal year for which
3 the application is submitted;

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

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

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

17 “(4) MATCHING.—The head of a Federal agen-
18 cy may not make an award under a pilot program
19 unless new private, Federal non-SBIR, or Federal
20 non-STTR funding which at least matches the
21 award from the Federal agency is provided for SBIR
22 or STTR Phase II technology.

23 “(5) ELIGIBILITY FOR AWARD.—The head of a
24 Federal agency may make an award under a pilot
25 program to any applicant that is eligible to receive

1 a Phase III award related to technology developed in
2 Phase II of an SBIR or STTR project.

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

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

10 “(8) DEFINITIONS.—In this section—

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

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

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

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

19 **SEC. 206. NANOTECHNOLOGY INITIATIVE.**

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

23 “(ff) NANOTECHNOLOGY INITIATIVE.—Each Federal
24 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
 4 (ff) of the Small Business Act, as added by subsection (a)
 5 of 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
 18 ‘advisory board’) to conduct periodic evaluations of
 19 the SBIR program (as that term is defined in sec-
 20 tion 9) of each of the National Institutes of Health
 21 (referred to in this section as the ‘NIH’) institutes
 22 and centers for the purpose of improving the man-
 23 agement of the SBIR program through data-driven
 24 assessment.

25 **“(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 pro-
5 gram of the NIH;

6 “(iii) senior NIH agency managers,
7 selected 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 Ad-
12 ministration and the Director of the Office
13 of Science and Technology Policy; and

14 “(v) owners or operators of small
15 business concerns that have received an
16 award under the SBIR program of the
17 NIH, selected by the Associate Adminis-
18 trator for Technology of the Administra-
19 tion.

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

24 “(C) EQUAL REPRESENTATION.—The total
25 number of members of the advisory board se-

1 lected under clauses (i), (ii), (iii), and (iv) of
2 subparagraph (A) shall be equal to the number
3 of members of the advisory board selected
4 under subparagraph (A)(v).

5 “(b) ADDRESSING DATA GAPS.—In order to enhance
6 the evidence-base guiding SBIR program decisions and
7 changes, the Director of the SBIR program of the NIH
8 shall address the gaps and deficiencies in the data collec-
9 tion concerns identified in the 2007 report of the National
10 Academies of Science entitled ‘An Assessment of the Small
11 Business Innovation Research Program at the NIH’.

12 “(c) PILOT PROGRAM.—

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

19 “(2) CONSIDERATIONS.—The Director of the
20 SBIR program of the NIH may consider conducting
21 a pilot program to include individuals with success-
22 ful SBIR program experience in study sections, hir-
23 ing individuals with small business development ex-
24 perience for staff positions, separating the commer-
25 cial and scientific review processes, and examining

1 the impact of the trend toward larger awards on the
2 overall program.

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

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

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

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

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

10 **TITLE III—OVERSIGHT AND** 11 **EVALUATION**

12 **SEC. 301. STREAMLINING ANNUAL EVALUATION REQUIRE-** 13 **MENTS.**

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

17 (1) in paragraph (7)—

18 (A) by striking “STTR programs, includ-
 19 ing the data” and inserting the following:
 20 “STTR programs, including—

21 “(A) the data”;

22 (B) by striking “(g)(10), (o)(9), and
 23 (o)(15), the number” and all that follows
 24 through “under each of the SBIR and STTR

1 programs, and a description² and inserting the
2 following: “(g)(8) and (o)(9); and

3 “(B) the number of proposals received
4 from, and the number and total amount of
5 awards to, HUBZone small business concerns
6 and firms with venture capital investment (in-
7 cluding those majority owned and controlled by
8 multiple venture capital firms) under each of
9 the SBIR and STTR programs;

10 “(C) a description of the extent to which
11 each Federal agency is increasing outreach and
12 awards to firms owned and controlled by women
13 and minorities under each of the SBIR and
14 STTR programs;

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

21 “(E) a detailed description of appeals of
22 Phase III awards and notices of noncompliance
23 with the SBIR and the STTR Policy Directives
24 filed by the Administrator with Federal agen-
25 cies; and

1 “(F) a description”; and

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

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

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

10 Section 9(g) of the Small Business Act (15 U.S.C.
11 638(g)) is amended—

12 (1) by striking paragraph (10);

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

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

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

24 “(A) whether an awardee—

1 “(i) has venture capital or is majority
2 owned and controlled by multiple venture
3 capital firms; and, if so—

4 “(I) the amount of venture cap-
5 ital that the awardee has received as
6 of the date of the award; and

7 “(II) the amount of additional
8 capital that the awardee has invested
9 in the SBIR technology;

10 “(ii) has an investor that—

11 “(I) is an individual who is not a
12 citizen of the United States or a law-
13 ful permanent resident of the United
14 States; and if so, the name of any
15 such individual; or

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

21 “(iii) is owned by a woman or has a
22 woman as a principal investigator;

23 “(iv) is owned by a socially or eco-
24 nomically disadvantaged individual or has

1 a socially or economically disadvantaged
2 individual as a principal investigator;

3 “(v) received assistance under the
4 FAST program under section 34 or the
5 outreach program under subsection (s); or

6 “(vi) is a faculty member or a student
7 of an institution of higher education, as
8 that term is defined in section 101 of the
9 Higher Education Act of 1965 (20 U.S.C.
10 1001); 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 cap-
9 ital that the applicant or awardee has
10 received as of the date of the applica-
11 tion 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 law-
18 ful permanent resident of the United
19 States; and if so, the name of any
20 such 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~~
9 ~~outreach program under subsection (s); or~~

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); and~~

15 ~~“(B) if an awardee receives an award in an~~
16 ~~amount that is more than the award guidelines~~
17 ~~under this section, a statement from the agency~~
18 ~~that justifies the award amount;”;~~

19 ~~(2) in paragraph (14), by adding “and” at the~~
20 ~~end;~~

21 ~~(3) by striking paragraph (15); and~~

22 ~~(4) by redesignating paragraph (16) as para-~~
23 ~~graph (15).~~

1 **SEC. 304. PUBLIC DATABASE.**

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

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

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

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

9 “(F) for each small business concern that
10 has received a Phase I or Phase II SBIR or
11 STTR award from a Federal agency, whether
12 the small business concern—

13 “(i) has venture capital and, if so,
14 whether the small business concern is reg-
15 istered as majority owned and controlled
16 by multiple venture capital companies as
17 required under subsection (cc)(3);

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

20 “(iii) 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;

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

1 “(v) is owned by a faculty member or
 2 a student of an institution of higher edu-
 3 cation, as that term is defined in section
 4 101 of the Higher Education Act of 1965
 5 (20 U.S.C. 1001).”.

6 **SEC. 305. GOVERNMENT DATABASE.**

7 Section 9(k)(2) of the Small Business Act (15 U.S.C.
 8 638(k)(2)) is amended—

9 (1) by redesignating subparagraphs (C), (D),
 10 and (E) as subparagraphs (D), (E), and (F), respec-
 11 tively;

12 (2) by inserting after subparagraph (B) the fol-
 13 lowing:

14 “(C) includes, for each awardee—

15 “(i) the name, size, location, and any
 16 identifying number assigned to the award-
 17 ee by the Administrator;

18 “(ii) whether the awardee has venture
 19 capital, and, if so—

20 “(I) the amount of venture cap-
 21 ital as of the date of the award;

22 “(II) the percentage of ownership
 23 of the awardee held by a venture cap-
 24 ital firm, including whether the
 25 awardee is majority owned and con-

1 trolled by multiple venture capital
2 firms; and

3 “(III) the amount of additional
4 capital that the awardee has invested
5 in the SBIR technology, which infor-
6 mation shall be collected on an annual
7 basis;

8 “(iii) the names and locations of any
9 affiliates of the awardee;

10 “(iv) the number of employees of the
11 awardee;

12 “(v) the number of employees of the
13 affiliates of the awardee; and

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

16 “(I) any individual who is not a
17 citizen of the United States or a law-
18 ful permanent resident of the United
19 States; or

20 “(II) any person that is not an
21 individual and is not organized under
22 the laws of a State or the United
23 States;” and

24 ~~(3)~~ in subparagraph (D), as so redesignated—

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

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

4 “(iv) whether the applicant was ma-
5 jority owned and controlled by multiple
6 venture capital firms; and

7 “(v) the number of employees of the
8 applicant;”.

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

10 (a) **IN GENERAL.**—Not later than 1 year after the
11 date of enactment of this Act, and every 3 years there-
12 after, the Comptroller General of the United States
13 shall—

14 (1) conduct a fiscal and management audit of
15 the SBIR program and the STTR program for the
16 applicable period to—

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

22 (B) assess the extent of compliance with
23 the requirements of section 9(i)(2) of the Small
24 Business Act (15 U.S.C. 638(i)(2)) by Federal

1 agencies participating in the SBIR program or
2 the STTR program and the Administration;

3 ~~(C)~~ assess whether it would be more con-
4 sistent and effective to base the amount of the
5 allocations under the SBIR program and the
6 STTR program on a percentage of the research
7 and development budget of a Federal agency,
8 rather than the extramural budget of the Fed-
9 eral agency; and

10 ~~(D)~~ determine the portion of the extra-
11 mural research or research and development
12 budget of a Federal agency that each Federal
13 agency spends for administrative purposes re-
14 lating to the SBIR program or STTR program,
15 and for what specific purposes, including the
16 portion, if any, of such budget the Federal
17 agency spends for salaries and expenses, travel
18 to visit applicants, outreach events, marketing,
19 and technical assistance; and

20 ~~(2)~~ submit a report to the Committee on Small
21 Business and Entrepreneurship of the Senate and
22 the Committee on Small Business of the House of
23 Representatives regarding the audit conducted under
24 paragraph ~~(1)~~, including the assessments required
25 under subparagraphs ~~(B)~~ and ~~(C)~~, and the deter-

1 mination made under subparagraph (D) of para-
 2 graph (1).

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

5 (1) for the first report submitted under this
 6 section, the period beginning on October 1, 2000,
 7 and ending on September 30 of the last full fiscal
 8 year before the date of enactment of this Act for
 9 which information is available; and

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

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

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

18 **SEC. 307. CONTINUED EVALUATION BY THE NATIONAL**
 19 **ACADEMY OF SCIENCES.**

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

23 “(e) EXTENSIONS AND ENHANCEMENTS OF AUTHOR-
 24 ITY.—

1 “(1) IN GENERAL.—Not later than 6 months
2 after the date of enactment of the SBIR/STTR Re-
3 authorization Act of 2009, the head of each agency
4 described in subsection (a), in consultation with the
5 Small Business Administration, shall cooperatively
6 enter into an agreement with the National Academy
7 of Sciences for the National Research Council to
8 conduct a study described in subsection (a)(1) and
9 make recommendations described in subsection
10 (a)(2) not later than 4 years after the date of enact-
11 ment of the SBIR/STTR Reauthorization Act of
12 2009, and every 4 years thereafter.

13 “(2) REPORTING.—An agreement under para-
14 graph (1) shall require that not later than 4 years
15 after the date of enactment of the SBIR/STTR Re-
16 authorization Act of 2009, and every 4 years there-
17 after, the National Research Council shall submit to
18 the head of the agency entering into the agreement,
19 the Committee on Small Business and Entrepre-
20 neurship of the Senate, and the Committee on Small
21 Business of the House of Representatives a report
22 regarding the study conducted under paragraph (1)
23 and containing the recommendations described in
24 paragraph (1).”.

1 **SEC. 308. TECHNOLOGY INSERTION REPORTING REQUIRE-**
2 **MENTS.**

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

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

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

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

15 “(3) the dollar amount of the Phase III
16 award.”.

17 **SEC. 309. INTELLECTUAL PROPERTY PROTECTIONS.**

18 (a) IN GENERAL.—The Comptroller General of the
19 United States shall conduct a study of the SBIR program
20 to assess whether—

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

25 (2) the laws and policy directives intended to
26 clarify the scope of data rights, including in proto-

1 types and mentor-protégé relationships and agree-
 2 ments with Federal laboratories, are sufficient to
 3 protect SBIR awardees; and

4 (3) there is an effective grievance tracking proc-
 5 ess for SBIR awardees who have grievances against
 6 a Federal agency regarding data rights and a proc-
 7 ess for resolving those grievances.

8 (b) REPORT.—Not later than 18 months after the
 9 date of enactment of this Act, the Comptroller General
 10 shall submit to the Committee on Small Business and En-
 11 trepreneurship of the Senate and the Committee on Small
 12 Business of the House of Representatives a report regard-
 13 ing the study conducted under subsection (a).

14 **TITLE IV—POLICY DIRECTIVES**

15 **SEC. 401. CONFORMING AMENDMENTS TO THE SBIR AND** 16 **THE STTR POLICY DIRECTIVES.**

17 (a) IN GENERAL.—Not later than 180 days after the
 18 date of enactment of this Act, the Administrator shall pro-
 19 mulgate amendments to the SBIR Policy Directive and
 20 the STTR Policy Directive to conform such directives to
 21 this Act and the amendments made by this Act.

22 (b) PUBLISHING SBIR POLICY DIRECTIVE AND THE
 23 STTR POLICY DIRECTIVE IN THE FEDERAL REGISTER.—
 24 Not later than 180 days after the date of enactment of
 25 this Act, the Administrator shall publish the amended

1 ~~SBIR Policy Directive and the amended STTR Policy Di-~~
 2 ~~rective in the Federal Register.~~

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “SBIR/STTR Reauthor-*
 5 *ization 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 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 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*
10 *such terms in section 9 of the Small Business Act (15*
11 *U.S.C. 638); and*

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

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

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

18 (a) *SBIR.*—*Section 9(m) of the Small Business Act*
19 *(15 U.S.C. 638(m)) is amended by striking “2008” and in-*
20 *serting “2023”.*

21 (b) *STTR.*—*Section 9(n)(1)(A) of the Small Business*
22 *Act (15 U.S.C. 638(n)(1)(A)) is amended by striking*
23 *“2009” and inserting “2023”.*

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

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

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

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

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

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

11 *“(10) to maintain an Office of Technology to*
12 *carry out the responsibilities of the Administration*
13 *under this section, which shall be—*

14 *“(A) headed by the Assistant Administrator*
15 *for Technology, who shall report directly to the*
16 *Administrator; and*

17 *“(B) independent from the Office of Govern-*
18 *ment Contracting of the Administration and suf-*
19 *ficiently staffed and funded to comply with the*
20 *oversight, reporting, and public database respon-*
21 *sibilities assigned to the Office of Technology by*
22 *the Administrator.”.*

23 **SEC. 103. SBIR ALLOCATION INCREASE.**

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

26 *(1) in paragraph (1)—*

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

4 (B) in subparagraph (B), by striking “and”
5 at the end; and

6 (C) by striking subparagraph (C) and in-
7 serting the following:

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

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

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

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

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

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

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

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

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

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

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

6 (2) in paragraph (2)—

7 (A) by redesignating subparagraphs (A)
8 and (B) as clauses (i) and (ii), respectively, and
9 adjusting the margins accordingly;

10 (B) by striking “A Federal agency” and in-
11 sserting the following:

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

14 “(B) DEPARTMENT OF DEFENSE AND DE-
15 PARTMENT OF ENERGY.—For the Department of
16 Defense and the Department of Energy, to the
17 greatest extent practicable, the percentage of the
18 extramural budget in excess of 2.5 percent re-
19 quired to be expended with small business con-
20 cerns under subparagraphs (D) through (M) of
21 paragraph (1)—

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

24 “(ii) shall be used for activities that
25 further the readiness levels of technologies

1 *developed under Phase II awards, including*
2 *conducting testing and evaluation to pro-*
3 *mote the transition of such technologies into*
4 *commercial or defense products, or systems*
5 *furthering the mission needs of the Depart-*
6 *ment of Defense or the Department of En-*
7 *ergy, as the case may be.”.*

8 **SEC. 104. STTR ALLOCATION INCREASE.**

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

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

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

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

15 *“(iii) 0.4 percent for fiscal years 2011*
16 *and 2012;*

17 *“(iv) 0.5 percent for fiscal years 2013*
18 *and 2014; and*

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

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

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

6 (1) by striking “\$100,000” and inserting
7 “\$150,000”; and

8 (2) by striking “\$750,000” and inserting
9 “\$1,000,000”.

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

12 (1) in subsection (j)(2)(D)—

13 (A) by striking “5 years” and inserting “3
14 years”; and

15 (B) by striking “and programmatic consid-
16 erations”; and

17 (2) in subsection (p)(2)(B)(ix) by striking
18 “greater or lesser amounts to be awarded at the dis-
19 cretion of the awarding agency,” and inserting “an
20 adjustment for inflation of such amounts once every
21 3 years,”.

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

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

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

6 “(2) *MAINTAINANCE OF INFORMATION.*—Participating agencies shall maintain information on
7 awards exceeding the guidelines established under this
8 section, including—
9

10 “(A) the amount of each award;

11 “(B) a justification for exceeding the award
12 amount;

13 “(C) the identity and location of each
14 award recipient; and

15 “(D) whether a recipient has received any
16 venture capital investment and, if so, whether
17 the recipient is majority-owned and controlled
18 by multiple venture capital companies.

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

22 “(4) *RULE OF CONSTRUCTION.*—Nothing in this
23 subsection shall be construed to prevent a Federal
24 agency from supplementing an award under the
25 SBIR program or the STTR program using funds of

1 *the Federal agency that are not part of the SBIR pro-*
2 *gram or the STTR program of the Federal agency.”.*

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

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 *“(bb) SUBSEQUENT PHASES.—*

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

18 *“(2) SBIR AND STTR COLLABORATION.—A small*
19 *business concern which received an award under this*
20 *section under the SBIR program or the STTR pro-*
21 *gram may receive an award under this section for a*
22 *subsequent phase in either the SBIR program or the*
23 *STTR program and the participating agency or*
24 *agencies shall report the awards to the Administrator*

1 for inclusion in the public database under subsection
2 (k).”.

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

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

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

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

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

19 (1) in section 9—

20 (A) in subsection (e)—

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

23 (ii) in paragraph (9)—

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

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

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

8 “(10) the term ‘Phase I’ means—

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

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

13 “(11) the term ‘Phase II’ means—

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

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

18 “(12) the term ‘Phase III’ means—

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

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

23 (B) in subsection (j)—

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

- 1 (ii) in paragraph (2)—
- 2 (I) in subparagraph (B)—
- 3 (aa) by striking “the third
- 4 phase” each place it appears and
- 5 inserting “Phase III”; and
- 6 (bb) by striking “the second
- 7 phase” and inserting “Phase II”;
- 8 (II) in subparagraph (D)—
- 9 (aa) by striking “the first
- 10 phase” and inserting “Phase I”;
- 11 and
- 12 (bb) by striking “the second
- 13 phase” and inserting “Phase II”;
- 14 (III) in subparagraph (F), by
- 15 striking “the third phase” and insert-
- 16 ing “Phase III”;
- 17 (IV) in subparagraph (G)—
- 18 (aa) by striking “the first
- 19 phase” and inserting “Phase I”;
- 20 and
- 21 (bb) by striking “the second
- 22 phase” and inserting “Phase II”;
- 23 and
- 24 (V) in subparagraph (H)—

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

3 (bb) by striking “second
4 phase” each place it appears and
5 inserting “Phase II”; and

6 (cc) by striking “third
7 phase” and inserting “Phase III”;
8 and

9 (iii) in paragraph (3)—

10 (I) in subparagraph (A)—

11 (aa) by striking “the first
12 phase (as described in subsection
13 (e)(4)(A))” and inserting “Phase
14 I”;

15 (bb) by striking “the second
16 phase (as described in subsection
17 (e)(4)(B))” and inserting “Phase
18 II”; and

19 (cc) by striking “the third
20 phase (as described in subsection
21 (e)(4)(C))” and inserting “Phase
22 III”; and

23 (II) in subparagraph (B), by
24 striking “second phase” and inserting
25 “Phase II”;

1 (C) in subsection (k)—

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

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

6 (D) in subsection (l)(2)—

7 (i) by striking “the first phase” and
8 inserting “Phase I”; and

9 (ii) by striking “the second phase” and
10 inserting “Phase II”;

11 (E) in subsection (o)(13)—

12 (i) in subparagraph (B), by striking
13 “second phase” and inserting “Phase II”;
14 and

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

17 (F) in subsection (p)—

18 (i) in paragraph (2)(B)—

19 (I) in clause (vi)—

20 (aa) by striking “the second
21 phase” and inserting “Phase II”;

22 and

23 (bb) by striking “the third
24 phase” and inserting “Phase III”;

25 and

1 (ii) in clause (ix)—

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

4 and

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

7 and

8 (ii) in paragraph (3)—

9 (I) by striking “the first phase (as
10 described in subsection (e)(6)(A))” and
11 inserting “Phase I”;

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

15 (III) by striking “the third phase
16 (as described in subsection (e)(6)(A))”
17 and inserting “Phase III”;

18 (G) in subsection (q)(3)—

19 (i) in subparagraph (A)—

20 (I) in the subparagraph heading,
21 by striking “FIRST PHASE” and insert-
22 ing “PHASE I”; and

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

25 (ii) in subparagraph (B)—

1 (I) in the subparagraph heading,
2 by striking “SECOND PHASE” and in-
3 serting “PHASE II”; and

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

6 (H) in subsection (r)—

7 (i) in the subsection heading, by strik-
8 ing “THIRD PHASE” and inserting “PHASE
9 III”;

10 (ii) in paragraph (1)—

11 (I) in the first sentence—

12 (aa) by striking “for the sec-
13 ond phase” and inserting “for
14 Phase II”;

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

18 (cc) by striking “second
19 phase period” and inserting
20 “Phase II period”; and

21 (II) in the second sentence—

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

1 (bb) by striking “third
2 phase” and inserting “Phase III”;
3 and
4 (iii) in paragraph (2), by striking
5 “third phase” and inserting “Phase III”;
6 and
7 (I) in subsection (u)(2)(B), by striking “the
8 first phase” and inserting “Phase I”;
9 (2) in section 34—
10 (A) in subsection (c)(2)(B)(ii), by striking
11 “first phase and second phase SBIR awards”
12 and inserting “Phase I and Phase II SBIR
13 awards (as defined in section 9(e))”; and
14 (B) in subsection (e)(2)(A)—
15 (i) in clause (i), by striking “first
16 phase awards” and all that follows and in-
17 serting “Phase I awards (as defined in sec-
18 tion 9(e));”; and
19 (ii) by striking “first phase” each
20 place it appears and inserting “Phase I”;
21 and
22 (3) in section 35(c)(2)(B)(vii), by striking “third
23 phase” and inserting “Phase III”.

1 **SEC. 108. MAJORITY-VENTURE INVESTMENTS IN SBIR**
2 **FIRMS.**

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

6 “(cc) *MAJORITY-VENTURE INVESTMENTS IN SBIR*
7 *FIRMS.*—

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

9 “(A) *IN GENERAL.*—Upon a written deter-
10 mination provided not later than 30 days in ad-
11 vance to the Administrator and to the Committee
12 on Small Business and Entrepreneurship of the
13 Senate and the Committee on Small Business of
14 the House of Representatives—

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

1 that are open to all eligible small business
2 concerns; and

3 “(ii) the head of any other Federal
4 agency participating in the SBIR program
5 may award not more than 8 percent of the
6 SBIR funds of the Federal agency allocated
7 in accordance with this Act, in the first full
8 fiscal year beginning after the date of enact-
9 ment of this subsection, and each fiscal year
10 thereafter, to small business concerns that
11 are majority owned by venture capital com-
12 panies and that satisfy the qualification re-
13 quirements under paragraph (2) through
14 competitive, merit-based procedures that are
15 open to all eligible small business concerns.

16 “(B) DETERMINATION.—A written deter-
17 mination made under subparagraph (A) shall
18 explain how the use of the authority under that
19 subparagraph will induce additional venture
20 capital funding of small business innovations,
21 substantially contribute to the mission of the
22 funding Federal agency, demonstrate a need for
23 public research, and otherwise fulfill the capital
24 needs of small business concerns for additional
25 financing for the SBIR project.

1 “(2) *QUALIFICATION REQUIREMENTS.*—*The Ad-*
2 *ministrator shall establish requirements relating to*
3 *the affiliation by small business concerns with venture*
4 *capital companies, which may not exclude a United*
5 *States small business concern from participation in*
6 *the program under paragraph (1) on the basis that*
7 *the small business concern is owned in majority part*
8 *by, or controlled by, more than 1 United States ven-*
9 *ture capital company, so long as no single venture*
10 *capital company owns more than 49 percent of the*
11 *small business concern.*

12 “(3) *REGISTRATION.*—*A small business concern*
13 *that is majority owned and controlled by multiple*
14 *venture capital companies and qualified for partici-*
15 *ipation in the program authorized under paragraph*
16 *(1) shall—*

17 “(A) *register with the Administrator on the*
18 *date that the small business concern submits an*
19 *application for an award under the SBIR pro-*
20 *gram; and*

21 “(B) *indicate whether the small business*
22 *concern is registered under subparagraph (A) in*
23 *any SBIR proposal.*

24 “(4) *COMPLIANCE.*—*A Federal agency described*
25 *in paragraph (1) shall collect data regarding the*

1 *number and dollar amounts of phase I, phase II, and*
2 *all other categories of awards under the SBIR pro-*
3 *gram, and the Administrator shall report on the data*
4 *and the compliance of each such Federal agency with*
5 *the maximum amounts under paragraph (1) as part*
6 *of the annual report by the Administration under*
7 *subsection (b)(7).*

8 *“(5) ENFORCEMENT.—If a Federal agency*
9 *awards more than the amount authorized under para-*
10 *graph (1) for a purpose described in paragraph (1),*
11 *the amount awarded in excess of the amount author-*
12 *ized under paragraph (1) shall be transferred to the*
13 *funds for general SBIR programs from the non-SBIR*
14 *research and development funds of the Federal agency*
15 *within 60 days of the date on which the Federal agen-*
16 *cy awarded more than the amount authorized under*
17 *paragraph (1) for a purpose described in paragraph*
18 *(1).”.*

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

22 *“(t) VENTURE CAPITAL COMPANY.—In this Act, the*
23 *term ‘venture capital company’ means an entity described*
24 *in clause (i), (v), or (vi) of section 121.103(b)(5) of title*
25 *13, Code of Federal Regulations (or any successor thereto).”.*

1 (c) *ASSISTANCE FOR DETERMINING AFFILIATES.*—Not
 2 later than 30 days after the date of enactment of this Act,
 3 the Administrator shall post on the website of the Adminis-
 4 tration (with a direct link displayed on the homepage of
 5 the website of the Administration or the SBIR website of
 6 the Administration)—

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

10 (2) contact information for officers or employees
 11 of the Administration who—

12 (A) upon request, shall review an issue re-
 13 lating to the rules described in paragraph (1);
 14 and

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

18 **SEC. 109. SBIR AND STTR SPECIAL ACQUISITION PREF-**
 19 **ERENCE.**

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

22 “(4) *PHASE III AWARDS.*—To the greatest extent
 23 practicable, Federal agencies and Federal prime con-
 24 tractors shall issue Phase III awards relating to tech-
 25 nology, including sole source awards, to the SBIR

1 “(A) condition an SBIR or STTR award
2 upon entering into agreement with any Federal
3 laboratory or any federally funded laboratory or
4 research and development center for any portion
5 of the activities to be performed under that
6 award;

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

16 “(C) approve an agreement that violates
17 any provision, including any data rights protec-
18 tions provision, of this section or the SBIR and
19 the STTR Policy Directives.

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

1 “(A) have the flexibility to use the resources
2 of the Federal laboratories and federally funded
3 research and development centers; and

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

8 **SEC. 111. NOTICE REQUIREMENT.**

9 *The head of any Federal agency involved in a case or*
10 *controversy before any Federal judicial or administrative*
11 *tribunal concerning the SBIR program or the STTR pro-*
12 *gram shall provide timely notice, as determined by the Ad-*
13 *ministrator, of the case or controversy to the Administrator.*

14 **TITLE II—OUTREACH AND COM-**
15 **MERCIALIZATION INITIA-**
16 **TIVES**

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

18 (a) *OUTREACH.*—Section 9 of the Small Business Act
19 (15 U.S.C. 638) is amended by inserting after subsection
20 (r) the following:

21 “(s) *OUTREACH.*—

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

24 “(A) for which the total value of contracts
25 awarded to the State under this section during

1 *the most recent fiscal year for which data is*
2 *available was less than \$5,000,000; and*

3 “(B) *that certifies to the Administrator that*
4 *the State will, upon receipt of assistance under*
5 *this subsection, provide matching funds from*
6 *non-Federal sources in an amount that is not*
7 *less than 50 percent of the amount provided*
8 *under this subsection.*

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

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

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

22 “(B) *shall not exceed \$100,000.*

23 “(4) *USE OF ASSISTANCE.—Assistance provided*
24 *to an eligible State under this subsection shall be used*
25 *by the State, in consultation with State and local de-*

1 *partments and agencies, for programs and activities*
2 *to increase the participation of small business con-*
3 *cerns located in the State in the programs under this*
4 *section, including—*

5 *“(A) the establishment of quantifiable per-*
6 *formance goals, including goals relating to—*

7 *“(i) the number of program awards*
8 *under this section made to small business*
9 *concerns in the State; and*

10 *“(ii) the total amount of Federal re-*
11 *search and development contracts awarded*
12 *to small business concerns in the State;*

13 *“(B) the provision of competition outreach*
14 *support to small business concerns in the State*
15 *that are involved in research and development;*
16 *and*

17 *“(C) the development and dissemination of*
18 *educational and promotional information relat-*
19 *ing to the programs under this section to small*
20 *business concerns in the State.”.*

21 *(b) FEDERAL AND STATE PROGRAM EXTENSION.—*

22 *Section 34 of the Small Business Act (15 U.S.C. 657d) is*
23 *amended—*

1 (1) *in subsection (h), by striking “2001 through*
2 *2005” each place it appears and inserting “2010*
3 *through 2014”;* and

4 (2) *in subsection (i), by striking “2005” and in-*
5 *serting “2014”.*

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

9 (1) *in subparagraph (A)—*

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

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

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

16 (3) *by redesignating subparagraphs (C) and (D)*
17 *as subparagraphs (D) and (E), respectively; and*

18 (4) *by inserting after subparagraph (B) the fol-*
19 *lowing:*

20 “(C) *RURAL AREAS.—*

21 “(i) *IN GENERAL.—Except as provided*
22 *in clause (ii), the non-Federal share of the*
23 *cost of the activity carried out using an*
24 *award or under a cooperative agreement*
25 *under this section shall be 35 cents for each*

1 *Federal dollar that will be directly allocated*
2 *by a recipient described in paragraph (A)*
3 *to serve small business concerns located in*
4 *a rural area.*

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

16 “(iii) *DEFINITION OF RURAL AREA.*—
17 *In this subparagraph, the term ‘rural area’*
18 *has the meaning given that term in section*
19 *1393(a)(2)) of the Internal Revenue Code of*
20 *1986.’.*

21 **SEC. 202. SBIR–STEM WORKFORCE DEVELOPMENT GRANT**
22 **PILOT PROGRAM.**

23 (a) *PILOT PROGRAM ESTABLISHED.*—*From amounts*
24 *made available to carry out this section, the Administrator*
25 *shall establish a SBIR–STEM Workforce Development*

1 *Grant Pilot Program to encourage the business community*
2 *to provide workforce development opportunities for college*
3 *students, in the fields of science, technology, engineering,*
4 *and math (in this section referred to as “STEM college stu-*
5 *dents”), by providing a SBIR bonus grant.*

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

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

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

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

21 (1) *\$1,000,000 for fiscal year 2011;*

22 (2) *\$1,000,000 for fiscal year 2012;*

23 (3) *\$1,000,000 for fiscal year 2013;*

24 (4) *\$1,000,000 for fiscal year 2014; and*

25 (5) *\$1,000,000 for fiscal year 2015.*

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

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

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

6 *(2) in subparagraph (B)—*

7 *(A) by striking “, with funds available from*
8 *their SBIR awards,”; and*

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

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

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

22 *“(D) LIMITATION.—A Federal agency may*
23 *not—*

24 *“(i) use the amounts authorized under*
25 *subparagraph (A) or (B) unless the vendor*

1 *selected under paragraph (2) provides the*
2 *technical assistance to the recipient; or*

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

8 **SEC. 204. COMMERCIALIZATION PROGRAM AT DEPARTMENT**
9 **OF DEFENSE.**

10 *Section 9(y) of the Small Business Act (15 U.S.C.*
11 *638(y)) is amended—*

12 (1) *in the subsection heading, by striking*
13 *“PILOT”;*

14 (2) *by striking “Pilot” each place that term ap-*
15 *pears;*

16 (3) *in paragraph (1)—*

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

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

21 *“The authority to create and administer a Com-*
22 *mercialization Program under this subsection*
23 *may not be construed to eliminate or replace any*
24 *other SBIR program or STTR program that en-*
25 *hances the insertion or transition of SBIR or*

1 *STTR technologies, including any such program*
2 *in effect on the date of enactment of the National*
3 *Defense Authorization Act for Fiscal Year 2006*
4 *(Public Law 109–163; 119 Stat. 3136).”;*

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

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

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

12 *(7) by redesignating paragraph (5) as para-*
13 *graph (7); and*

14 *(8) by inserting after paragraph (4) the fol-*
15 *lowing:*

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

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

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

1 “(6) *GOAL FOR SBIR AND STTR TECHNOLOGY IN-*
2 *SERTION.—The Secretary of Defense shall—*

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

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

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

21 **SEC. 205. COMMERCIALIZATION PILOT PROGRAM FOR CI-**
22 **VILIAN AGENCIES.**

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

1 “(ee) *PILOT PROGRAM.*—

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

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

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

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

24 “(i) *make a determination regarding*
25 *an application submitted under subpara-*

1 *graph (A) not later than 30 days before the*
2 *first day of the fiscal year for which the ap-*
3 *plication is submitted;*

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

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

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

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

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

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

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

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

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

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

18 “(ii) *does not include the Department*
 19 *of Defense; and*

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

22 **SEC. 206. NANOTECHNOLOGY INITIATIVE.**

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

1 “(2) *MEMBERSHIP.*—

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

4 “(i) *the Director of the NIH;*

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

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

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

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

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

24 “(C) *EQUAL REPRESENTATION.*—*The total*
25 *number of members of the advisory board selected*

1 *under clauses (i), (ii), (iii), and (iv) of subpara-*
2 *graph (A) shall be equal to the number of mem-*
3 *bers of the advisory board selected under sub-*
4 *paragraph (A)(v).*

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

12 “(c) *PILOT PROGRAM.*—

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

19 “(2) *CONSIDERATIONS.*—*The Director of the*
20 *SBIR program of the NIH may consider conducting*
21 *a pilot program to include individuals with successful*
22 *SBIR program experience in study sections, hiring*
23 *individuals with small business development experi-*
24 *ence for staff positions, separating the commercial*
25 *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 **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.

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[Report No. 111-37]

A BILL

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

JULY 2, 2009

Reported with an amendment