

# Union Calendar No. 368

110TH CONGRESS  
2D SESSION

# H. R. 5819

**[Report No. 110-595, Part I]**

To amend the Small Business Act to improve the Small Business Innovation Research (SBIR) program and the Small Business Technology Transfer (STTR) program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 16, 2008

Ms. VELÁZQUEZ (for herself, Mr. GRAVES, and Mr. SESTAK) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Science and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

APRIL 18, 2008

Reported from the Committee on Small Business with an amendment

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

APRIL 18, 2008

Committee on Science and Technology discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on April 16, 2008]

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## A BILL

To amend the Small Business Act to improve the Small Business Innovation Research (SBIR) program and the

Small Business Technology Transfer (STTR) program,  
and for other purposes.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*  
5 *“SBIR/STTR Reauthorization Act”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*  
7 *this Act is as follows:*

*Sec. 1. Short title; table of contents.*

**TITLE I—MODERNIZING THE SBIR AND STTR PROGRAMS**

*Sec. 101. Extension of termination dates.*

*Sec. 102. Increased SBIR and STTR set-asides.*

*Sec. 103. Increased SBIR and STTR award levels.*

*Sec. 104. Establishment of SBIR advisory boards.*

*Sec. 105. Increase in amount of technical assistance funds and option to purchase  
technical assistance directly.*

*Sec. 106. Increased number of research topic solicitations annually and shortened  
period for final decisions on applications.*

*Sec. 107. Inclusion of energy-related research topics and rare-disease-related re-  
search topics as deserving “special consideration” as SBIR re-  
search topics.*

*Sec. 108. Agencies should fund vital R&D projects with the potential for commer-  
cialization.*

*Sec. 109. Federal agency engagement with SBIR awardees that have been award-  
ed multiple Phase One awards but have not been awarded Phase  
Two awards.*

*Sec. 110. Limitation on certain awards.*

*Sec. 111. Comptroller General audit of how Federal agencies calculate extramural  
research budgets.*

**TITLE II—VENTURE CAPITAL INVESTMENT STANDARDS**

*Sec. 201. Ensuring that innovative small businesses with substantial investment  
from venture capital operating companies are able to participate  
in the SBIR program.*

**TITLE III—SBIR AND ECONOMIC DEVELOPMENT**

*Sec. 301. Reauthorization and modernization of Federal and State Technology  
Partnership Program (FAST).*

*Sec. 302. Obtaining SBIR applicant’s consent to release contact information to  
economic development organizations.*

*TITLE IV—ADVANCING COMMERCIALIZATION OF SBIR–FUNDED  
RESEARCH*

- Sec. 401. Clarifying the definition of “Phase Three”.*  
*Sec. 402. Agency research goals.*  
*Sec. 403. Express authority for an agency to award sequential Phase Two awards  
for SBIR-funded projects.*  
*Sec. 404. Increased partnerships between SBIR awardees and prime contractors,  
venture capital investment companies, and larger businesses.*  
*Sec. 405. Express authority to “fast-track” Phase Two awards for promising  
Phase One research.*  
*Sec. 406. Commercialization programs.*  
*Sec. 407. Report on efforts to enhance manufacturing activities.*

*TITLE V—SUPPORTING PROGRAM UTILIZATION*

- Sec. 501. Agency databases to support program evaluation.*  
*Sec. 502. Agency databases to support technology utilization.*  
*Sec. 503. Interagency Policy Committee.*  
*Sec. 504. Nanotechnology-related research topics.*  
*Sec. 505. Rural preference.*

*TITLE VI—IMPLEMENTATION*

- Sec. 601. Conforming amendments to the SBIR and STTR policy directives.*  
*Sec. 602. National Research Council SBIR Study.*

1           ***TITLE I—MODERNIZING THE***  
2           ***SBIR AND STTR PROGRAMS***

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

4           (a) *SBIR.*—Section 9(m) of the Small Business Act  
5 (15 U.S.C. 638(m)) is amended by striking “2008” and in-  
6 serting “2010”.

7           (b) *STTR.*—Section 9(n)(1)(A) of the Small Business  
8 Act (15 U.S.C. 638(n)(1)(A)) is amended by striking  
9 “2009” and inserting “2010”.

10 ***SEC. 102. INCREASED SBIR AND STTR SET-ASIDES.***

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

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

1           (2) *in subparagraph (C) by striking “in each fis-*  
2           *cal year thereafter,” and inserting “in each of fiscal*  
3           *years 1997 through 2008; and” and*

4           (3) *by adding after subparagraph (C) the fol-*  
5           *lowing:*

6                         *“(D) not less than 3.0 percent of such budg-*  
7                         *et in each fiscal year thereafter.”.*

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

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

11                        (2) *in clause (ii), by striking “fiscal year 2004*  
12                        *and each fiscal year thereafter.” and inserting “each*  
13                        *of fiscal years 2004 through 2008; and”;* and

14                        (3) *by adding after clause (ii) the following new*  
15                        *clause:*

16   *“(iii) 0.6 percent for fiscal year 2009*  
17   *and each fiscal year thereafter.”.*

18   **SEC. 103. INCREASED SBIR AND STTR AWARD LEVELS.**

19           (a) *SBIR AWARD LEVEL.*—*Section 9(j)(2)(D) of the*  
20           *Small Business Act (15 U.S.C. 638(j)(2)(D)) is amended*  
21           *by striking “\$100,000” and “\$750,000” and inserting*  
22           *“\$300,000” and “\$2,200,000”, respectively.*

23           (b) *STTR AWARD LEVEL.*—*Section 9(p)(2)(B)(ix) of*  
24           *the Small Business Act (15 U.S.C. 638(p)(2)(B)(ix)) is*

1 amended by striking “\$100,000” and “\$750,000” and in-  
2 serting “\$300,000” and “\$2,200,000”, respectively.

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

5 (1) in subsection (j)(2)(D), by striking “and an  
6 adjustment of such amounts once every 5 years to re-  
7 flect economic adjustments and programmatic consid-  
8 erations” and inserting “and a mandatory annual  
9 adjustment of such amounts to reflect economic ad-  
10 justments and programmatic considerations”; and

11 (2) in subsection (p)(2)(B)(ix), by striking  
12 “greater or lesser amounts” and inserting “with a  
13 mandatory annual adjustment of such amounts to re-  
14 flect economic adjustments and programmatic consid-  
15 erations, and with lesser amounts”.

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

19 “(z) LIMITATION ON PHASE I AND II AWARDS.—

20 “(1) IN GENERAL.—No Federal agency shall  
21 issue an award under the SBIR program or the  
22 STTR program if the size of the award exceeds the  
23 amounts established under subsections (j)(2)(D) and  
24 (p)(2)(B)(ix), except as provided in paragraph (2).

1           “(2) *EXCEPTION.*—*The prohibition in paragraph*  
2           *(1) does not apply to an agency for a fiscal year if*  
3           *the head of the agency—*

4                   “(A) *notifies the Administrator that the*  
5                   *agency intends to issue awards in that fiscal*  
6                   *year without regard to the prohibition in*  
7                   *paragraph (1); and*

8                   “(B) *reports to the Committee on Small*  
9                   *Business and the Committee on Science and*  
10                   *Technology of the House of Representatives and*  
11                   *the Committee on Small Business and Entrepre-*  
12                   *neurship of the Senate at least annually the*  
13                   *number of instances in which the agency issued*  
14                   *an award that exceeds the amounts referred to in*  
15                   *paragraph (1) and the justification for each such*  
16                   *instance.”.*

17 **SEC. 104. ESTABLISHMENT OF SBIR ADVISORY BOARDS.**

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

21                   “(aa) *SBIR ADVISORY BOARDS.*—

22                   “(1) *ADVISORY BOARDS REQUIRED.*—*Each Fed-*  
23                   *eral agency that is required by this section to conduct*  
24                   *an SBIR program and that administers annually*

1       \$50,000,000 or more in SBIR grants shall have an  
2       SBIR advisory board.

3               “(2) MEMBERS.—For each advisory board re-  
4       quired by paragraph (1), the members of the advisory  
5       board shall include—

6                       “(A) at least two individuals who are em-  
7       ployees of the agency;

8                       “(B) at least two representatives of private  
9       sector technology firms; and

10                      “(C) such other individuals as the agency  
11       considers appropriate.

12               “(3) SECURITY CLEARANCES.—Where it is ap-  
13       propriate to the work of an advisory board required  
14       by paragraph (1) that the members and staff of the  
15       advisory board have a security clearance, the appro-  
16       priate departments and agencies of the executive  
17       branch shall cooperate with the advisory board to ex-  
18       pediently provide members and staff with appro-  
19       priate security clearances to the extent possible under  
20       applicable procedures and requirements.

21               “(4) MEETINGS.—Each advisory board required  
22       by paragraph (1) shall meet at least two times per  
23       year.

24               “(5) DUTIES.—Each advisory board required by  
25       paragraph (1) shall—

1           “(A) review the quarterly reports submitted  
2           under subsection (g)(8);

3           “(B) make recommendations to the agency  
4           about potential modifications to the agency’s  
5           SBIR program that are intended to—

6                   “(i) encourage applications, particu-  
7                   larly applications from small business con-  
8                   cerns owned and controlled by women,  
9                   small business concerns owned and con-  
10                  trolled by minorities, and small business  
11                  concerns in States and regions that histori-  
12                  cally receive few SBIR awards; and

13                   “(ii) support commercialization of  
14                  Federal research funded by SBIR awards;  
15                  and

16           “(C) submit to the Committee on Small  
17           Business and the Committee on Science and  
18           Technology of the House of Representatives and  
19           the Committee on Small Business and Entrepre-  
20           neurship of the Senate an annual report on the  
21           SBIR program conducted by the agency.

22           “(6) CONTENTS OF ANNUAL REPORT.—The an-  
23           nual report required by paragraph (5)(C) shall in-  
24           clude a description of how that agency’s SBIR pro-  
25           gram is functioning and any recommendations of the

1        *advisory board for strengthening that agency’s SBIR*  
2        *program. The annual report shall also state the num-*  
3        *ber and dollar amount of awards under the agency’s*  
4        *SBIR program, and under the agency’s STTR pro-*  
5        *gram, that were made to small business concerns*  
6        *owned and controlled by women, small business con-*  
7        *cerns owned and controlled by minorities, small busi-*  
8        *ness concerns owned and controlled by veterans, and*  
9        *small business concerns in States and regions that*  
10       *historically receive few SBIR awards.*

11                *“(7) NON-APPLICABILITY OF FACa.—The Federal*  
12        *Advisory Committee Act (5 U.S.C. App.) shall not*  
13        *apply to an advisory board required by paragraph*  
14        *(1).”.*

15                *(b) AGENCY REPORTS TO SBIR ADVISORY BOARDS.—*  
16        *Section 9(g)(8) of the Small Business Act (15 U.S.C.*  
17        *638(g)(8)) is amended by inserting before the semicolon at*  
18        *the end the following: “and, if the agency is required by*  
19        *subsection (aa) to have an SBIR advisory board, submit*  
20        *a quarterly report on the SBIR program to that SBIR ad-*  
21        *visory board”.*

1 **SEC. 105. INCREASE IN AMOUNT OF TECHNICAL ASSIST-**  
2 **ANCE FUNDS AND OPTION TO PURCHASE**  
3 **TECHNICAL ASSISTANCE DIRECTLY.**

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

6 *(1) in paragraph (1)—*

7 *(A) by striking “paragraph (2)” and insert-*  
8 *ing “paragraph (2)(A), or another Federal agen-*  
9 *cy under paragraph (2)(B),”;*

10 *(B) by striking “and” at the end of sub-*  
11 *paragraph (C);*

12 *(C) by striking the period at the end of sub-*  
13 *paragraph (D) and inserting “; and”; and*

14 *(D) by adding at the end the following new*  
15 *subparagraph:*

16 *“(E) implementing manufacturing processes*  
17 *and production strategies for utilization.”;*

18 *(2) by amending paragraph (2) to read as fol-*  
19 *lows:*

20 *“(2) ASSISTANCE PROVIDERS.—*

21 *“(A) VENDOR SELECTION.—Each agency*  
22 *may select a vendor to assist small business con-*  
23 *cerns to meet the goals listed in paragraph (1)*  
24 *for a term not to exceed 3 years. Such selection*  
25 *shall be competitive and shall utilize merit-based*  
26 *criteria.*

1           “(B) *INTERAGENCY COLLABORATION.*—*In*  
2 *addition, each agency may enter into a collabo-*  
3 *rative agreement with the technical extension or*  
4 *assistance programs of other Federal agencies in*  
5 *order to provide the assistance described in para-*  
6 *graph (1).”;* and

7           (3) *in paragraph (3)*—

8           (A) *in subparagraph (A) by striking*  
9 *“\$4,000” and inserting “\$5,000”;*

10           (B) *by amending subparagraph (B) to read*  
11 *as follows:*

12           “(B) *SECOND PHASE.*—*Each agency re-*  
13 *ferred to in paragraph (1) may provide directly,*  
14 *or authorize any second phase SBIR award re-*  
15 *ipient to purchase with funds available from*  
16 *their SBIR awards, services described in para-*  
17 *graph (1), in an amount equal to not more than*  
18 *\$8,000 per year, per award.”;* and

19           (C) *by adding at the end the following:*

20           “(C) *AUTHORITY TO OPT OUT.*—*The Ad-*  
21 *ministrator shall establish guidelines under*  
22 *which an award recipient eligible to receive serv-*  
23 *ices under subparagraph (A) may decline those*  
24 *services and receive instead an amount equal to*  
25 *not more than \$2,500, which shall be in addition*

1           to the amount of the recipient’s award and  
 2           which shall be used to purchase services described  
 3           in paragraph (1).”.

4 **SEC. 106. INCREASED NUMBER OF RESEARCH TOPIC SO-**  
 5                           **LICITATIONS ANNUALLY AND SHORTENED**  
 6                           **PERIOD FOR FINAL DECISIONS ON APPLICA-**  
 7                           **TIONS.**

8           (a) *INCREASED NUMBER OF RESEARCH TOPIC SOLICI-*  
 9           *TATIONS.*—Section 9(g)(2) of the Small Business Act (15  
 10           U.S.C. 638(g)(2)) is amended by inserting before the semi-  
 11           colon at the end the following: “, but not less often than  
 12           twice per year”.

13           (b) *SHORTENED PERIOD FOR FINAL DECISIONS ON*  
 14           *APPLICATIONS.*—Section 9(g)(4) of that Act (15 U.S.C.  
 15           638(g)(4)) is amended—

16                   (1) by inserting before the semicolon at the end  
 17           the following: “: Provided, That if the agency is re-  
 18           quired by subsection (aa) to have an SBIR advisory  
 19           board—”; and

20                   (2) by adding at the end the following:

21                           “(A) a final decision on each proposal shall  
 22                           be rendered not later than 90 days after the date  
 23                           on which the solicitation closes;

1           “(B) the SBIR advisory board may, on a  
2 case by case basis, extend the 90 days to 180  
3 days; and

4           “(C) the SBIR advisory board shall include  
5 in each annual report to Congress under sub-  
6 section (aa) a statement identifying how many  
7 times a decision was not rendered in 90 days,  
8 how many times an extension was granted, and  
9 how many times a decision was not rendered in  
10 180 days;”.

11 **SEC. 107. INCLUSION OF ENERGY-RELATED RESEARCH TOP-**  
12 **ICS AND RARE-DISEASE-RELATED RESEARCH**  
13 **TOPICS AS DESERVING “SPECIAL CONSIDER-**  
14 **ATION” AS SBIR RESEARCH TOPICS.**

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

17           (1) in the matter preceding subparagraph (A) by  
18 inserting after “critical technologies” the following:  
19 “or pressing research priorities”;

20           (2) at the end of subparagraph (A) by striking  
21 “or”; and

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

23           “(C) the National Academy of Sciences, in  
24 the final report issued by the ‘America’s Energy  
25 Future: Technology Opportunities, Risks, and

1           *Tradeoffs’ project, and in subsequent reports*  
 2           *issued by the National Academy of Sciences on*  
 3           *sustainability, energy, and alternative fuels;*

4           *“(D) the National Institutes of Health, in*  
 5           *the annual report on the rare diseases research*  
 6           *activities of the National Institutes of Health for*  
 7           *fiscal year 2005, and in subsequent reports*  
 8           *issued by the National Institutes of Health on*  
 9           *rare diseases research activities; or”.*

10 **SEC. 108. AGENCIES SHOULD FUND VITAL R&D PROJECTS**

11                           **WITH THE POTENTIAL FOR COMMERCIALIZA-**  
 12                           **TION.**

13           *Section 9(j)(2) of the Small Business Act (15 U.S.C.*  
 14 *638(j)(2)), as amended by section 103, is further amend-*  
 15 *ed—*

16                   (1) *in subparagraph (H) by striking “and” at*  
 17 *the end;*

18                   (2) *in subparagraph (I) by striking the period at*  
 19 *the end and inserting “; and”; and*

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

21                   *“(J) procedures to ensure that the Adminis-*  
 22 *trator, on an annual basis, submits to the Com-*  
 23 *mittee on Small Business and the Committee on*  
 24 *Science and Technology of the House of Rep-*  
 25 *resentatives and the Committee on Small Busi-*

1            *ness and Entrepreneurship of the Senate a list*  
 2            *identifying each small business concern that, for*  
 3            *the period covered by the preceding 5 fiscal*  
 4            *years, received 15 or more first phase SBIR*  
 5            *awards and no second phase SBIR awards.”.*

6 **SEC. 109. FEDERAL AGENCY ENGAGEMENT WITH SBIR**  
 7            **AWARDEES THAT HAVE BEEN AWARDED MUL-**  
 8            **TIPLE PHASE ONE AWARDS BUT HAVE NOT**  
 9            **BEEN AWARDED PHASE TWO AWARDS.**

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

12            *“(4) REQUIREMENTS RELATING TO FEDERAL*  
 13 *AGENCY ENGAGEMENT WITH CERTAIN FIRST PHASE*  
 14 *SBIR AWARDEES.—The Administrator shall modify*  
 15 *the policy directives issued pursuant to this subsection*  
 16 *to provide for each Federal agency required by this*  
 17 *section to conduct an SBIR program to engage with*  
 18 *SBIR awardees that have been awarded multiple first*  
 19 *phase SBIR awards but have not been awarded any*  
 20 *second phase SBIR awards and to develop perform-*  
 21 *ance metrics to measure awardee progression in the*  
 22 *SBIR program.”.*

23 **SEC. 110. LIMITATION ON CERTAIN AWARDS.**

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

1       “(bb) *SUBSEQUENT PHASES.*—

2               “(1) *IN GENERAL.*—A small business concern  
3       which received an award from a Federal agency  
4       under this section shall be eligible to receive an award  
5       for a subsequent phase from another Federal agency,  
6       if the head of each relevant Federal agency makes a  
7       written determination that the topics of the relevant  
8       awards are the same.

9               “(2) *CROSSOVER BETWEEN PROGRAMS.*—A small  
10       business concern which received an award under this  
11       section under the SBIR program or the STTR pro-  
12       gram may, at the discretion of the granting agency,  
13       receive an award under this section for a subsequent  
14       phase in either the SBIR program or the STTR pro-  
15       gram.

16              “(3) *PHASE II SBIR APPLICATIONS.*—An agency  
17       may permit an applicant to apply directly for a  
18       Phase II award, as described in subsection (e)(4)(B),  
19       without first completing a Phase I award, as de-  
20       scribed in subsection (e)(4)(A), if the applicant can  
21       demonstrate that project feasibility was achieved  
22       without SBIR or other Federal funding.

23              “(4) *PHASE II STTR APPLICATIONS.*—An agency  
24       may permit an applicant to submit proposals for  
25       Phase II awards, as described in subsection (e)(6)(B),

1       *without first completing a Phase I award, as de-*  
2       *scribed in subsection (e)(6)(A), if the applicant can*  
3       *demonstrate it has accomplished Phase I through co-*  
4       *operative research and development achieved without*  
5       *STTR or other Federal funding.*

6       “(cc) **WAIVER OF MINIMUM WORK REQUIREMENT.**—  
7       *A Federal agency making an SBIR or STTR award under*  
8       *this section may waive the minimum small business con-*  
9       *cern or research institution work requirements under sub-*  
10      *section (e)(7) if the agency determines that to provide such*  
11      *waiver would be consistent with the purposes of this section*  
12      *and consistent with achieving the objectives of the award*  
13      *proposal.”.*

14      **SEC. 111. COMPTROLLER GENERAL AUDIT OF HOW FED-**  
15                      **ERAL AGENCIES CALCULATE EXTRAMURAL**  
16                      **RESEARCH BUDGETS.**

17       *The Comptroller General of the United States shall*  
18      *carry out a detailed audit of how Federal agencies calculate*  
19      *extramural research budgets for purposes of calculating the*  
20      *size of the agencies’ Small Business Innovation Research*  
21      *and Small Business Technology Transfer budgets. Not later*  
22      *than 1 year after the date of the enactment of this Act, the*  
23      *Comptroller General shall submit to the Committee on*  
24      *Small Business and the Committee on Science and Tech-*  
25      *nology of the House of Representatives and the Committee*

1 *on Small Business and Entrepreneurship of the Senate a*  
2 *report on the results of the audit.*

3 **TITLE II—VENTURE CAPITAL**  
4 **INVESTMENT STANDARDS**

5 **SEC. 201. ENSURING THAT INNOVATIVE SMALL BUSINESSES**  
6 **WITH SUBSTANTIAL INVESTMENT FROM VEN-**  
7 **TURE CAPITAL OPERATING COMPANIES ARE**  
8 **ABLE TO PARTICIPATE IN THE SBIR PRO-**  
9 **GRAM.**

10 *Section 9(e) of the Small Business Act (15 U.S.C.*  
11 *638(e)) is amended by striking “and” at the end of para-*  
12 *graph (8), striking the period at the end of paragraph (9)*  
13 *and inserting “; and”, and adding at the end the following:*

14 *“(10) effective only for the SBIR and STTR pro-*  
15 *grams, and notwithstanding any provision in section*  
16 *3 to the contrary, the following shall apply:*

17 *“(A) A business concern that has more than*  
18 *500 employees shall not qualify as a small busi-*  
19 *ness concern.*

20 *“(B) In determining whether a small busi-*  
21 *ness concern is independently owned and oper-*  
22 *ated under section 3(a)(1) or meets the small*  
23 *business size standards instituted under section*  
24 *3(a)(2), the Administrator shall not consider a*  
25 *business concern to be affiliated with a venture*

1           *capital operating company (or with any other*  
2           *business that the venture capital operating com-*  
3           *pany has financed) if—*

4                     *“(i) the venture capital operating com-*  
5                     *pany does not own 50 percent or more of*  
6                     *the business concern; and*

7                     *“(ii) employees of the venture capital*  
8                     *operating company do not constitute a ma-*  
9                     *majority of the board of directors of the busi-*  
10                    *ness concern.*

11                    *“(C) A business concern shall be deemed to*  
12                    *be ‘independently owned and operated’ if—*

13                             *“(i) it is owned in majority part by*  
14                             *one or more natural persons or venture cap-*  
15                             *ital operating companies;*

16                             *“(ii) there is no single venture capital*  
17                             *operating company that owns 50 percent or*  
18                             *more of the business concern; and*

19                             *“(iii) there is no single venture capital*  
20                             *operating company the employees of which*  
21                             *constitute a majority of the board of direc-*  
22                             *tors of the business concern.*

23                    *“(D) To be eligible to receive an award*  
24                    *under the SBIR or STTR program, a small*  
25                    *business concern may not have an ownership in-*

1           *terest by more than one venture capital oper-*  
2           *ating company controlled by a business with*  
3           *more than 500 employees, and that venture cap-*  
4           *ital operating company may not own more than*  
5           *10 percent of that small business concern.*

6           “(E) The term ‘venture capital operating  
7           company’ means a business concern—

8                   “(i) that—

9                           “(I) is a Venture Capital Oper-  
10                           *ating Company, as that term is de-*  
11                           *fin ed in regulations promulgated by*  
12                           *the Secretary of Labor; or*

13                           “(II) is an entity that—

14                                   “(aa) is registered under the  
15                                   *Investment Company Act of 1940*  
16                                   *(15 U.S.C. 80a–51 et seq.); or*

17                                   “(bb) is an investment com-  
18                                   *pany, as defined in section*  
19                                   *3(c)(14) of such Act (15 U.S.C.*  
20                                   *80a–3(c)(14)), which is not reg-*  
21                                   *istered under such Act because it*  
22                                   *is beneficially owned by less than*  
23                                   *100 persons; and*

24                                   “(ii) that is itself organized or incor-  
25                                   *porated and domiciled in the United States,*

1                    *or is controlled by a business concern that*  
2                    *is incorporated and domiciled in the United*  
3                    *States.”.*

4        ***TITLE III—SBIR AND ECONOMIC***  
5                    ***DEVELOPMENT***

6        ***SEC. 301. REAUTHORIZATION AND MODERNIZATION OF***  
7                    ***FEDERAL AND STATE TECHNOLOGY PART-***  
8                    ***nership Program (FAST).***

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

11                  *“(s) OUTREACH AND SUPPORT ACTIVITIES.—*

12                    *“(1) IN GENERAL.—Subject to the other provi-*  
13                    *sions of this subsection, the Administrator shall make*  
14                    *grants on a competitive basis to organizations, to be*  
15                    *used by the organizations to do one or both of the fol-*  
16                    *lowing:*

17                    *“(A) To conduct outreach efforts to increase*  
18                    *participation in the programs under this section.*

19                    *“(B) To provide application support and*  
20                    *entrepreneurial and business skills support to*  
21                    *prospective participants in the programs under*  
22                    *this section.*

23                    *“(2) PROGRAM AUTHORITY.—Of the amounts*  
24                    *made available to carry out this section for each of*  
25                    *fiscal years 2009 through 2010, the Administrator*

1        *may expend not more than \$10,000,000 in each such*  
2        *fiscal year to carry out paragraph (1).*

3            *“(3) AMOUNT OF ASSISTANCE.—For each of sub-*  
4        *paragraphs (A) and (B) of paragraph (1), the*  
5        *amount of assistance provided to an organization*  
6        *under that subparagraph in any fiscal year—*

7            *“(A) shall be equal to the total amount of*  
8        *matching funds from non-Federal sources pro-*  
9        *vided by the organization; and*

10          *“(B) shall not exceed \$250,000.*

11          *“(4) DIRECTION.—An organization receiving*  
12        *funds under paragraph (1) shall, in using those*  
13        *funds, direct its activities at one or both of the fol-*  
14        *lowing:*

15            *“(A) Small business concerns located in geo-*  
16        *graphic areas that are underrepresented in the*  
17        *programs under this section.*

18            *“(B) Small business concerns owned and*  
19        *controlled by women, small business concerns*  
20        *owned and controlled by service-disabled vet-*  
21        *erans, and small business concerns owned and*  
22        *controlled by minorities.*

23          *“(5) ADVISORY BOARD.—*

24            *“(A) ESTABLISHMENT.—Not later than 90*  
25        *days after the date of the enactment of this sub-*

1           *section, the Administrator shall establish an ad-*  
2           *visory board for the activities carried out under*  
3           *this subsection.*

4           “(B) *NON-APPLICABILITY OF FACA.—The*  
5           *Federal Advisory Committee Act (5 U.S.C. App.)*  
6           *shall not apply to the advisory board.*

7           “(C) *MEMBERS.—The members of the advi-*  
8           *sory board shall include the following:*

9                   “(i) *The Administrator (or the Admin-*  
10                   *istrator’s designee).*

11                   “(ii) *For each Federal agency required*  
12                   *by this section to conduct an SBIR pro-*  
13                   *gram, the head of the agency (or the des-*  
14                   *ignee of the head of the agency).*

15                   “(iii) *Representatives of small business*  
16                   *concerns that are current or former recipi-*  
17                   *ents of SBIR awards, or representatives of*  
18                   *organizations of such concerns.*

19                   “(iv) *Representatives of service pro-*  
20                   *viders of SBIR outreach and assistance, or*  
21                   *representatives of organizations of such*  
22                   *service providers.*

23           “(D) *DUTIES.—The advisory board shall*  
24           *have the following duties:*

1           “(i) To develop guidelines for awards  
2           under paragraph (1)(A), including guide-  
3           lines relating to award sizes, proposal re-  
4           quirements, metrics for monitoring awardee  
5           performance, and metrics for measuring  
6           overall value of the activities carried out by  
7           the awardees.

8           “(ii) To identify opportunities for co-  
9           ordinated outreach, technical assistance,  
10          and commercialization activities among  
11          Federal agencies, the recipients of the  
12          awards under paragraph (1)(A), and appli-  
13          cants and recipients of SBIR awards, in-  
14          cluding opportunities such as—

15               “(I) podcasting or webcasting for  
16               conferences, training workshops, and  
17               other events;

18               “(II) shared online resources to  
19               match prospective applicants with the  
20               network of paragraph (1)(A) recipi-  
21               ents; and

22               “(III) venture capital conferences  
23               tied to technologies and sectors that  
24               cross agencies.

1                   “(iii) To review and recommend revi-  
2                   sions to activities under paragraph (1)(A).

3                   “(iv) To submit to the Committee on  
4                   Small Business and Entrepreneurship of  
5                   the Senate and the Committee on Small  
6                   Business and the Committee on Science and  
7                   Technology of the House of Representatives  
8                   an annual report on the activities carried  
9                   out under paragraph (1)(A) and the effec-  
10                  tiveness and impact of those activities.

11                  “(6) SELECTION CRITERIA.—In awarding grants  
12                  under this subsection, the Administrator shall use se-  
13                  lection criteria developed by the advisory board estab-  
14                  lished under paragraph (5). The criteria shall in-  
15                  clude—

16                  “(A) criteria designed to give preference to  
17                  applicants who propose to carry out activities  
18                  that will reach either an underperforming geo-  
19                  graphic area or an underrepresented population  
20                  group (as measured by the number of SBIR ap-  
21                  plicants);

22                  “(B) criteria designed to give preference to  
23                  applicants who propose to carry out activities  
24                  that complement, and are integrated into, the ex-

1            *isting public-private innovation support system*  
2            *for the targeted region or population; and*

3            *“(C) criteria designed to give preference to*  
4            *applicants who propose to measure the effective-*  
5            *ness of the proposed activities.*

6            *“(7) PEER REVIEW.—In awarding grants under*  
7            *this subsection, the Administrator shall use a peer re-*  
8            *view process. Reviewers shall include—*

9            *“(A) SBIR program managers for agencies*  
10           *required by this section to conduct SBIR pro-*  
11           *grams; and*

12           *“(B) private individuals and organizations*  
13           *that are knowledgeable about SBIR, the innova-*  
14           *tion process, technology commercialization, and*  
15           *State and regional technology-based economic de-*  
16           *velopment programs.*

17           *“(8) PER-STATE LIMITATIONS.—*

18           *“(A) IN GENERAL.—To be eligible to receive*  
19           *a grant under this subsection, the applicant*  
20           *must have the written endorsement of the Gov-*  
21           *ernor of the State where the targeted regions or*  
22           *populations are located (if the regions or popu-*  
23           *lations are located in more than one State, the*  
24           *applicant must have the written endorsement of*  
25           *the Governor of each such State). Such an en-*

1           dorsement must indicate that the Governor will  
2           ensure that the activities to be carried out under  
3           the grant will be integrated with the balance of  
4           the State’s portfolio of investments to help small  
5           business concerns commercialize technology.

6           “(B) *LIMITATION.*—Each fiscal year, a Gov-  
7           ernor may have in effect not more than one writ-  
8           ten endorsement for a grant under paragraph  
9           (1)(A), and not more than one written endorse-  
10          ment for a grant under paragraph (1)(B).

11          “(9) *SPECIFIC REQUIREMENTS FOR FAST*  
12          *AWARDS.*—In making awards under paragraph  
13          (1)(A) (to be known as ‘FAST’ awards) the Adminis-  
14          trator shall ensure the following:

15                 “(A) *GOALS.*—Priority shall be given appli-  
16                 cations that address one or more of the following  
17                 goals:

18                         “(i) *Increasing the number of SBIR*  
19                         *applications from underperforming geo-*  
20                         *graphic areas (as measured by the number*  
21                         *of SBIR applicants).*

22                         “(ii) *Increasing the number of SBIR*  
23                         *applications from underrepresented popu-*  
24                         *lation groups (as measured by the number*  
25                         *of SBIR applicants).*

1           “(B) *DURATION.*—*Each award shall be for*  
2           *a period of 2 fiscal years. The Administrator*  
3           *shall establish rules and performance goals for*  
4           *the disbursement of funds for the second fiscal*  
5           *year, and funds shall not be disbursed to a re-*  
6           *ipient for such a fiscal year until after the advi-*  
7           *sory board established under this subsection has*  
8           *determined that the recipient is in compliance*  
9           *with the rules and performance goals.”.*

10 **SEC. 302. OBTAINING SBIR APPLICANT’S CONSENT TO RE-**  
11                   **LEASE CONTACT INFORMATION TO ECO-**  
12                   **NOMIC DEVELOPMENT ORGANIZATIONS.**

13           *Section 9 of the Small Business Act (15 U.S.C. 638)*  
14           *is amended in subsection (s) (as added by this title) by add-*  
15           *ing at the end the following:*

16                   “(5) *CONSENT TO RELEASE CONTACT INFORMA-*  
17                   *TION TO ORGANIZATIONS.—*

18                   “(A) *ENABLING CONCERN TO GIVE CON-*  
19                   *SENT.*—*Each Federal agency required by this*  
20                   *section to conduct an SBIR program shall enable*  
21                   *a small business concern that is an SBIR appli-*  
22                   *cant to indicate to the agency whether the agency*  
23                   *has its consent to—*

24                           “(i) *identify the concern to appro-*  
25                           *priate local and State-level economic devel-*

1                    *opment organizations as an SBIR appli-*  
 2                    *cant; and*

3                    *“(ii) release the concern’s contact infor-*  
 4                    *mation to such organizations.*

5                    *“(B) RULES.—The Administrator shall es-*  
 6                    *tablish rules to implement this paragraph. The*  
 7                    *rules shall include a requirement that the agency*  
 8                    *include in its SBIR application forms a provi-*  
 9                    *sion through which the applicant can indicate*  
 10                    *consent for purposes of subparagraph (A).”.*

11 ***TITLE IV—ADVANCING COMMER-***  
 12 ***CIALIZATION OF SBIR—FUND-***  
 13 ***ED RESEARCH***

14 ***SEC. 401. CLARIFYING THE DEFINITION OF “PHASE THREE”.***

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

17                    *(1) in paragraph (4)(C)—*

18                    *(A) in the matter preceding clause (i) by*  
 19                    *inserting after “a third phase” the following: “,*  
 20                    *which shall consist of work that derives from, ex-*  
 21                    *tends, or logically concludes efforts performed*  
 22                    *under prior SBIR funding agreements (which*  
 23                    *may be referred to as ‘Phase III’)”; and*

24                    *(B) in clause (i) by inserting after “non-*  
 25                    *SBIR Federal funding awards” the following: “:*

1           *Provided, That for purposes of this clause, such*  
2           *sources of capital and such funding awards in-*  
3           *clude private investment, private research, devel-*  
4           *opment, testing, and evaluation (RDT&E)*  
5           *awards, private sales or licenses, government*  
6           *RDT&E contracts and awards, and government*  
7           *sales”;*

8           *(2) in paragraph (8) by striking “and” at the*  
9           *end;*

10           *(3) in paragraph (9) by striking the period at*  
11           *the end and inserting “; and”; and*

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

13           *“(10) the term ‘commercialization’ means the*  
14           *process of developing marketable products or services*  
15           *and producing and delivering products or services for*  
16           *sale (whether by the originating party or by others)*  
17           *to government or commercial markets.”.*

18   **SEC. 402. AGENCY RESEARCH GOALS.**

19           *Section 9 of the Small Business Act (15 U.S.C. 638)*  
20           *is amended by striking subsection (h) and inserting the fol-*  
21           *lowing:*

22           *“(h) AGENCY RESEARCH GOALS.—*

23           *“(1) IN GENERAL.—In addition to the require-*  
24           *ments of subsection (f), each Federal agency that is*  
25           *required by this section to have an SBIR program*

1        *and that awards annually \$5,000,000,000 or more in*  
2        *procurement contracts shall, effective for fiscal year*  
3        *2009 and each fiscal year thereafter, establish annual*  
4        *goals for commercialization of projects funded by*  
5        *SBIR awards.*

6            *“(2) SPECIFIC GOALS.—The goals required by*  
7        *paragraph (1) shall include specific goals for each of*  
8        *the following:*

9            *“(A) The percentage of SBIR projects that*  
10        *receive funding for the third phase (as defined in*  
11        *subsection (e)(4)(C)).*

12           *“(B) The percentage of SBIR projects that*  
13        *are successfully integrated into a program of*  
14        *record.*

15           *“(C) The amount of Federal dollars received*  
16        *by SBIR projects through Federal contracts, not*  
17        *including dollars received through the SBIR pro-*  
18        *gram.*

19           *“(3) SUBMISSION TO ADVISORY BOARD.—For*  
20        *each fiscal year for which goals are required by para-*  
21        *graph (1), the agency shall submit to the agency’s*  
22        *SBIR advisory board—*

23           *“(A) not later than 60 days after the begin-*  
24        *ning of the fiscal year, the goals; and*

1           “(B) not later than 90 days after the end of  
2           the fiscal year, data on the extent to which the  
3           goals were met and a description of the method-  
4           ology used to collect that data.”.

5 **SEC. 403. EXPRESS AUTHORITY FOR AN AGENCY TO AWARD**  
6                           **SEQUENTIAL PHASE TWO AWARDS FOR SBIR-**  
7                           **FUNDED PROJECTS.**

8           Section 9(j) of the Small Business Act (15 U.S.C.  
9           638(j)) is amended by adding after paragraph (4) (as added  
10          by section 109) the following:

11                   “(5) *REQUIREMENTS RELATING TO ADDITIONAL*  
12                   *SECOND PHASE SBIR AWARDS.—The Administrator*  
13                   *shall modify the policy directives issued pursuant to*  
14                   *this subsection to provide the following:*

15                           “(A) *A small business concern that receives*  
16                           *a second phase SBIR award for a project re-*  
17                           *mains eligible to receive additional second phase*  
18                           *SBIR awards.*

19                           “(B) *Agencies are expressly authorized to*  
20                           *provide additional second phase SBIR awards*  
21                           *for testing and evaluation assistance for the in-*  
22                           *sertion of SBIR technologies into technical or*  
23                           *weapons systems.*

24                           “(C) *Each agency that is required by sub-*  
25                           *section (aa) to have an SBIR advisory board*

1           *shall include in the quarterly reports submitted*  
2           *under subsection (g)(8) the number of projects*  
3           *that have received additional second phase SBIR*  
4           *awards and the total dollar amount of those ad-*  
5           *ditional second phase SBIR awards.”.*

6 **SEC. 404. INCREASED PARTNERSHIPS BETWEEN SBIR**  
7           **AWARDEES AND PRIME CONTRACTORS, VEN-**  
8           **TURE CAPITAL INVESTMENT COMPANIES,**  
9           **AND LARGER BUSINESSES.**

10          *Section 9(j) of the Small Business Act (15 U.S.C.*  
11 *638(j)) is amended by adding after paragraph (5) (as added*  
12 *by section 403) the following:*

13           “(6) *INCREASED PARTNERSHIPS.—Each agency*  
14 *required by this section to conduct an SBIR program*  
15 *shall establish initiatives by which the agency encour-*  
16 *ages partnerships between SBIR awardees and prime*  
17 *contractors, venture capital investment companies,*  
18 *and larger businesses, for the purpose of facilitating*  
19 *the progress of the SBIR awardees to the third phase.*  
20 *If the agency is required by subsection (aa) to have*  
21 *an SBIR advisory board, the advisory board shall in-*  
22 *clude in each report submitted under subsection (aa)*  
23 *a description of the initiatives established and an as-*  
24 *essment of the effectiveness of such initiatives.”.*

1 **SEC. 405. EXPRESS AUTHORITY TO “FAST-TRACK” PHASE**  
2 **TWO AWARDS FOR PROMISING PHASE ONE**  
3 **RESEARCH.**

4 *Section 9(j)(2)(G) of the Small Business Act (15*  
5 *U.S.C. 638(j)(2)(G)) is amended by inserting before the*  
6 *semicolon at the end the following: “, and to encourage*  
7 *agencies to develop ‘fast-track’ programs to eliminate that*  
8 *delay by issuing second phase SBIR awards as soon as*  
9 *practicable, including in appropriate cases simultaneously*  
10 *with the issuance of the first phase SBIR award”.*

11 **SEC. 406. COMMERCIALIZATION PROGRAMS.**

12 *Section 9(j) of the Small Business Act (15 U.S.C.*  
13 *638(j)) is amended by adding after paragraph (6) (as added*  
14 *by section 404) the following:*

15 *“(7) COMMERCIALIZATION PROGRAMS.—Each*  
16 *agency required by this section to conduct an SBIR*  
17 *program shall establish a commercialization program*  
18 *that supports the progress of SBIR awardees to the*  
19 *third phase. The commercialization program may in-*  
20 *clude activities such as partnership databases, part-*  
21 *nership conferences, multiple second phases, men-*  
22 *toring between prime contractors and SBIR award-*  
23 *ees, multiple second phases with matching private in-*  
24 *vestment requirements, jumbo awards, SBIR*  
25 *helpdesks, and transition assistance programs. The*  
26 *agency shall include in its annual report an analysis*

1       of the various activities considered for inclusion in  
2       the commercialization program and a statement of  
3       the reasons why each activity considered was included  
4       or not included, as the case may be. If the agency is  
5       required by subsection (aa) to have an SBIR advisory  
6       board, the advisory board shall include in each report  
7       under subsection (aa) a statement identifying the  
8       number of SBIR awardees that successfully progressed  
9       to the third phase.

10           “(8) *FUNDING FOR COMMERCIALIZATION PRO-*  
11       *GRAMS.—*

12           “(A) *IN GENERAL.—*From amounts made  
13       available to carry out this paragraph, the Ad-  
14       ministrators may, on petition by agencies re-  
15       quired by this section to conduct an SBIR pro-  
16       gram, transfer funds to such agencies to support  
17       the commercialization programs of such agencies.

18           “(B) *PETITIONS.—*The Administrator shall  
19       establish rules for making transfers under sub-  
20       paragraph (A). The initial set of rules shall be  
21       promulgated not later than 90 days after the  
22       date of the enactment of this paragraph.

23           “(C) *AUTHORIZATION OF APPROPRIA-*  
24       *TIONS.—*There is authorized to be appropriated  
25       to the Administrator to carry out this paragraph

1           \$27,500,000 for fiscal year 2009 and each fiscal  
2           year thereafter.

3           “(9) *FUNDING LIMITATION.*—For payment of ex-  
4           penses incurred to administer the commercialization  
5           programs described in paragraphs (7) and (8), the  
6           head of the agency may use not more than an amount  
7           equal to 1 percent of the funds available to the agency  
8           pursuant to the Small Business Innovation Research  
9           program. Such funds—

10                   “(A) shall not be subject to the limitations  
11                   on the use of funds in subsection (f)(2); and

12                   “(B) shall not be used for the purpose of  
13                   funding costs associated with salaries and ex-  
14                   penses of employees of the United States Govern-  
15                   ment.”.

16 **SEC. 407. REPORT ON EFFORTS TO ENHANCE MANUFAC-**  
17 **TURING ACTIVITIES.**

18           Section 9(j) of the Small Business Act (15 U.S.C.  
19 638(j)) is amended by adding after paragraph (9) (as added  
20 by section 406) the following:

21                   “(10) *EFFORTS TO ENHANCE MANUFACTURING*  
22                   *ACTIVITIES.*—If an agency is required by subsection  
23                   (aa) to have an SBIR advisory board, the advisory  
24                   board shall include in each report under subsection

1       (aa) a part relating to efforts to enhance manufac-  
2       turing activities, which shall include—

3               “(A) a comprehensive description of the ac-  
4               tions undertaken each year by the SBIR and  
5               STTR programs of that agency in support of  
6               Executive Order 13329;

7               “(B) an assessment of the effectiveness of  
8               such actions toward enhancing the research and  
9               development of manufacturing technologies and  
10              processes; and

11              “(C) any recommendations that the pro-  
12              gram managers of the SBIR and STTR pro-  
13              grams consider appropriate for additional ac-  
14              tions to be undertaken in order to increase the  
15              effectiveness toward enhancing manufacturing  
16              activities within the defense industrial base.”.

17              **TITLE V—SUPPORTING**  
18              **PROGRAM UTILIZATION**

19       **SEC. 501. AGENCY DATABASES TO SUPPORT PROGRAM**  
20              **EVALUATION.**

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

23              (1) in paragraph (2)(A)—

24                      (A) by striking “and” at the end of clause

25                      (ii);

1           (B) by inserting “and” at the end of clause  
2           (iii); and

3           (C) by adding at the end the following new  
4           clause:

5                   “(iv) information on the ownership  
6                   structure of award recipients, both at the  
7                   time of receipt of the award and upon com-  
8                   pletion of the award period;”;

9           (2) by amending paragraph (3) to read as fol-  
10          lows:

11                   “(3) *UPDATING INFORMATION FOR DATABASE.*—

12                           “(A) *IN GENERAL.*—A Federal agency shall  
13                           not make a Phase I or Phase II payment to a  
14                           small business concern under this section unless  
15                           the small business concern has provided all in-  
16                           formation required under this subsection with re-  
17                           spect to the award under which the payment is  
18                           made, and with respect to any other award  
19                           under this section previously received by the  
20                           small business concern or a predecessor in inter-  
21                           est to the small business concern.

22                           “(B) *APPORTIONMENT.*—In complying with  
23                           this paragraph, a small business concern may  
24                           apportion sales or additional investment infor-  
25                           mation relating to more than one second phase

1           *award among those awards, if it notes the ap-*  
2           *portionment for each award.*

3           “(C) *ANNUAL UPDATES UPON TERMI-*  
4           *NATION.—A small business concern receiving an*  
5           *award under this section shall—*

6                     “(i) *in the case of a second phase*  
7                     *award, update information in the databases*  
8                     *required under paragraphs (2) and (6) con-*  
9                     *cerning that award at the termination of*  
10                    *the award period;*

11                   “(ii) *in the case of award recipients*  
12                    *not described in clause (iii), be requested to*  
13                    *voluntarily update such information annu-*  
14                    *ally thereafter for a period of 5 years; and*

15                   “(iii) *in the case of a small business*  
16                    *concern applying for a subsequent first*  
17                    *phase or second phase award, be required to*  
18                    *update such information annually there-*  
19                    *after for a period of 5 years.”; and*

20                   (3) *by adding at the end the following new para-*  
21                    *graph:*

22                   “(6) *AGENCY PROGRAM EVALUATION DATA-*  
23                    *BASES.—Each Federal agency required to establish*  
24                    *an SBIR or STTR program under this section shall*  
25                    *develop and maintain, for the purpose of evaluating*



1        *mental payments from SBIR and STTR program*  
2        *funds above their initial Phase II award.”.*

3        **SEC. 503. INTERAGENCY POLICY COMMITTEE.**

4        (a) *ESTABLISHMENT.*—*The Director of the Office of*  
5        *Science and Technology Policy shall establish an Inter-*  
6        *agency SBIR/STTR Policy Committee comprised of one*  
7        *representative from each Federal agency with an SBIR pro-*  
8        *gram.*

9        (b) *COCHAIRS.*—*The Director of the Office of Science*  
10       *and Technology Policy and the Director of the National In-*  
11       *stitute of Standards and Technology shall jointly chair the*  
12       *Interagency Policy Committee.*

13       (c) *DUTIES.*—*The Interagency Policy Committee shall*  
14       *review the following issues and make policy recommenda-*  
15       *tions on ways to improve program effectiveness and effi-*  
16       *ciency:*

17                (1) *The public and government databases de-*  
18        *scribed in section 9(k)(1) and (2) of the Small Busi-*  
19        *ness Act (15 U.S.C. 638(k)(1) and (2)).*

20                (2) *Federal agency flexibility in establishing*  
21        *Phase I and II award sizes, and appropriate criteria*  
22        *to exercise such flexibility.*

23                (3) *Commercialization assistance best practices*  
24        *in Federal agencies with significant potential to be*  
25        *employed by other agencies, and the appropriate steps*

1       to achieve that leverage, as well as proposals for new  
2       initiatives to address funding gaps business concerns  
3       face after Phase II but before commercialization.

4       (d) *REPORTS.*—The Interagency Policy Committee  
5       shall transmit to the Committee on Science and Technology  
6       and the Committee on Small Business of the House of Rep-  
7       resentatives, and to the Committee on Small Business and  
8       Entrepreneurship of the Senate—

9               (1) a report on its review and recommendations  
10              under subsection (c)(1) not later than 1 year after the  
11              date of enactment of this Act;

12             (2) a report on its review and recommendations  
13              under subsection (c)(2) not later than 18 months after  
14              the date of enactment of this Act; and

15             (3) a report on its review and recommendations  
16              under subsection (c)(3) not later than 2 years after  
17              the date of enactment of this Act.

18 **SEC. 504. NANOTECHNOLOGY-RELATED RESEARCH TOPICS.**

19       (a) *SBIR.*—Section 9(g)(3) of the Small Business Act  
20       (15 U.S.C. 638(g)(3)), as amended by section 107, is further  
21       amended by adding at the end the following new subpara-  
22       graph:

23                       “(E) the national nanotechnology strategic  
24                       plan required under section 2(c)(4) of the 21st  
25                       Century Nanotechnology Research and Develop-

1           *ment Act (15 U.S.C. 7501(c)(4)) and in subse-*  
2           *quent reports issued by the National Science and*  
3           *Technology Council Committee on Technology,*  
4           *focusing on areas of nanotechnology identified in*  
5           *such plan;”.*

6           **(b) STTR.**—*Section 9(o)(1) of the Small Business Act*  
7           *(15 U.S.C. 638(o)(1)) is amended by inserting “, giving*  
8           *special consideration to topics that further 1 or more crit-*  
9           *ical technologies, as identified by the national*  
10           *nanotechnology strategic plan required under section*  
11           *2(c)(4) of the 21st Century Nanotechnology Research and*  
12           *Development Act (15 U.S.C. 7501(c)(4)) and in subsequent*  
13           *reports issued by the National Science and Technology*  
14           *Council Committee on Technology, focusing on areas of*  
15           *nanotechnology identified in such plan” after “its STTR*  
16           *program”.*

17           **SEC. 505. RURAL PREFERENCE.**

18           *Section 9 of the Small Business Act (15 U.S.C. 638)*  
19           *is amended by adding at the end the following new sub-*  
20           *section:*

21           **“(dd) RURAL PREFERENCE.**—*In making awards*  
22           *under this section, Federal agencies shall give priority to*  
23           *applications so as to increase the number of SBIR and*  
24           *STTR award recipients from rural areas.”.*

1       **TITLE VI—IMPLEMENTATION**

2       **SEC. 601. CONFORMING AMENDMENTS TO THE SBIR AND**  
3                               **STTR POLICY DIRECTIVES.**

4           *Not later than 180 days after the date of enactment*  
5 *of this Act, the Administrator of the Small Business Admin-*  
6 *istration shall promulgate amendments to the SBIR and*  
7 *the STTR Policy Directives to conform such directives to*  
8 *this Act and the amendments made by this Act.*

9       **SEC. 602. NATIONAL RESEARCH COUNCIL SBIR STUDY.**

10          *Section 108(d) of the Small Business Reauthorization*  
11 *Act of 2000 is amended—*

12                       (1) *by striking “of the Senate” and all that fol-*  
13 *lows through “not later than 3” and inserting “of the*  
14 *Senate, not later than 3”; and*

15                       (2) *by striking “; and” and all that follows*  
16 *through “update of such report”.*



Union Calendar No. 368

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 5819**

[Report No. 110-595, Part I]

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**A BILL**

To amend the Small Business Act to improve the Small Business Innovation Research (SBR) program and the Small Business Technology Transfer (STTR) program, and for other purposes.

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APRIL 18, 2008

Reported from the Committee on Small Business with an amendment

APRIL 18, 2008

Committee on Science and Technology discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed