

HR 5819

SBIR/STTR Reauthorization Act

Congress: 110 (2007–2009, Ended)

Chamber: House

Policy Area: Commerce

Introduced: Apr 16, 2008

Current Status: Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneur

Latest Action: Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship. (Apr 24, 2008)

Official Text: <https://www.congress.gov/bill/110th-congress/house-bill/5819>

Sponsor

Name: Rep. Velazquez, Nydia M. [D-NY-12]

Party: Democratic • State: NY • Chamber: House

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Graves, Sam [R-MO-6]	R · MO		Apr 16, 2008
Rep. Sestak, Joe [D-PA-7]	D · PA		Apr 16, 2008

Committee Activity

Committee	Chamber	Activity	Date
Science, Space, and Technology Committee	House	Hearings By (subcommittee)	Jun 26, 2007
Small Business and Entrepreneurship Committee	Senate	Referred To	Apr 24, 2008
Small Business Committee	House	Reported By	Apr 18, 2008

Subjects & Policy Tags

Policy Area:

Commerce

Related Bills

Bill	Relationship	Last Action
110 HRES 1125	Procedurally related	Apr 23, 2008: Motion to reconsider laid on the table Agreed to without objection.
110 HR 5789	Related bill	Apr 15, 2008: 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.

SBIR/STTR Reauthorization Act - **Title I: Modernizing the SBIR and STTR Programs** - (Sec. 101) Amends the Small Business Act to extend through FY2010 (currently scheduled to expire at the end of FY2008) the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs of the Small Business Administration (SBA).

(Sec. 102) Increases, for both the SBIR and STTR programs, the individual small business award levels from: (1) \$100,000 to \$300,000, for participation at a Phase One level; and (2) \$750,000 to \$2.2 million, for participation at a Phase Two level. Allows participating federal agencies (agencies) to exceed such award levels if such agencies notify, and provide annual reports concerning such increase to, the congressional small business committees.

(Sec. 103) Directs each federal agency that is required to conduct an SBIR program and that annually administers \$50 million or more in SBIR grants to have an SBIR advisory board. Outlines advisory board duties and requirements, including an annual program report to the small business committees.

(Sec. 104) Increases technical assistance funding for Phase One awardees and Phase Two grantees. Includes under authorized technical assistance assistance in implementing manufacturing processes and production strategies. Allows Phase One grantees to opt-out of the agency's technical assistance in favor of a payment of up to \$2,500, to be used to purchase such assistance. Requires agencies to select technical assistance vendors for a term not to exceed three years.

(Sec. 105) Requires each agency to conduct at least two rounds of SBIR research solicitations per year, and to render a final decision on each proposal within 90 days after the solicitation closes (with an authorized extension to 180 days on a case-by-case basis).

(Sec. 106) Includes energy-related and rare disease-related research topics as "special consideration" SBIR research topics.

(Sec. 107) Requires the SBA Administrator to submit annually to the small business committees a list of small businesses that, during the previous five-year period, received 15 or more Phase One awards and no Phase Two awards.

(Sec. 108) Requires each agency to engage with SBIR awardees that have been awarded multiple Phase One awards but no Phase Two awards, and to develop performance metrics to measure awardee progress in the SBIR program.

(Sec. 109) Allows a small business that receives an: (1) SBIR award from one agency to receive an award for a subsequent phase from another agency, as long as the head of each agency certifies that the topics of the relevant awards are the same; and (2) award under either the SBIR or STTR program to receive an award for a subsequent phase under either program.

(Sec. 110) Requires the Comptroller General to carry out, and report to the small business committees on, an audit of agency calculations of SBIR and STTR extramural research budgets.

(Sec. 111) Requires that, whenever an entity applies for but does not receive a research and development (R&D) award under an SBIR or STTR program, the federal agency conducting the program shall: (1) notify the entity that it can request an explanation of why it did not receive the award; and (2) if requested, provide such explanation.

Title II: Venture Capital Investment Standards - (Sec. 201) Provides that, effective only for the SBIR and STTR

programs: (1) a business concern that has more than 500 employees shall not qualify as a small business concern; (2) in determining whether a small business concern is independently owned and operated, the SBA Administrator shall not consider a business concern to be affiliated with a venture capital operating company if the venture capital operating company (VCOC) does not own 50% or more of the business concern and employees of the VCOC do not constitute a majority of the board of directors of the business concern; and (3) a business concern shall be deemed to be independently owned and operated if it is owned in majority part by one or more natural persons or VCOCs, there is no single VCOC that owns 50% or more of the business concern, and there is no single VCOC the employees of which constitute a majority of the board of directors of the business concern. States that, if a VCOC controlled by a business with more than 500 employees has an ownership interest in a small business owned in majority by VCOCs, that small business is eligible to receive an SBIR or STTR award only if: (1) not more than two of such VCOCs have an ownership interest in the small business; (2) such VCOCs do not collectively own more than 20% of the small business; and (3) such VCOCs do not collaborate to exercise more control over the small business than they could exercise individually.

Title III: SBIR and Economic Development - (Sec. 301) Directs the Administrator to make two-year grants to organizations to: (1) conduct SBIR outreach efforts to increase small business participation; and (2) provide application support and entrepreneurial and business skills support to prospective participants. Provides assistance limits. Requires organizations receiving grants to direct activities towards small business concerns located in underrepresented geographic areas and/or small business concerns owned and controlled by women, small business concerns owned and controlled by service-disabled veterans, and small business concerns owned and controlled by minorities.

Requires the Administrator to establish an advisory board to: (1) assist with such activities; and (2) report annually to the small business committees. Provides per-state limits on grant awards, with specific requirements for awards under the SBA's FAST (Federal and State Technology Partnership) program.

(Sec. 302) Requires each agency to receive an SBIR applicant's consent to the release of contact information to economic development organizations.

Title IV: Advancing Commercialization of SBIR-Funded Research - (Sec. 401) Revises the definition of "Phase Three" of the SBIR program. Defines "commercialization" as the process of developing marketable products or services and producing and delivering products or services for sale (whether by the originating party or by others) to government or commercial markets.

(Sec. 402) Requires agencies to establish annual goals for: (1) the percentage of SBIR projects that receive Phase Three funds; (2) the percentage of SBIR projects that are integrated into a program of record; and (3) the amount of non-SBIR federal funds received by SBIR projects through federal contracts. Directs each agency to submit annually to its advisory board information on the extent to which such goals were met.

(Sec. 403) Requires the Administrator to issue directives to ensure that: (1) a small business that receives a Phase Two award for an SBIR project remains eligible to receive additional Phase Two awards; and (2) agencies are expressly authorized to provide additional Phase Two awards for testing and evaluation assistance for the insertion of SBIR technologies into technical or weapons systems.

(Sec. 404) Directs each agency to establish initiatives to encourage partnerships between SBIR awardees and prime contractors, venture capital investment companies, business incubators, and larger businesses in order to facilitate the progression of SBIR awardees to Phase Three.

(Sec. 405) Authorizes agencies to develop fast-track programs to eliminate funding delays by issuing Phase Two SBIR

awards as soon as practicable, including simultaneously with the issuance of the Phase One award.

(Sec. 406) Requires each agency to establish a commercialization program that supports the progression of SBIR awardees to Phase Three. Requires commercialization program information to be included in each agency and advisory board's annual report. Authorizes appropriations.

Directs the Administrator, from amounts authorized under this section, to establish and carry out a pilot program of grants to minority institutions that partner with nonprofit organizations in order to increase the number of SBIR and STTR program applications by minority-owned small businesses. Requires matching non-federal funds for pilot program participation.

(Sec. 407) Requires each agency's advisory board to include in annual report requirements information on efforts to enhance manufacturing activities.

Title V: Supporting Program Utilization - (Sec. 501) Requires: (1) SBIR and STTR small business participants to provide updated project information for purposes of updating agency databases which evaluate the outcome of Phase One and Two awards; and (2) participating agencies to develop and maintain such databases.

(Sec. 502) Requires each agency to create and maintain a technology utilization database, available to the public, containing data supplied by award recipients.

(Sec. 503) Requires: (1) the Director of the Office of Science and Technology Policy to establish an Interagency SBIR/STTR Policy Committee; and (2) specified Committee reports to the small business committees.

(Sec. 504) Adds nanotechnology-related research to the SBIR list of research topics deserving special consideration.

(Sec. 505) Requires agencies to give a priority to SBIR and STTR award applications submitted by rural companies.

(Sec. 506) Requires federal agencies, in making R&D awards to small businesses under the SBIR and STTR programs, to give a priority to: (1) businesses located in areas that have lost a major source of employment; (2) veterans; and (3) organizations that are making significant contributions toward energy efficiency.

Title VI: Implementation - (Sec. 601) Directs the Administrator to promulgate amendments to SBIR and STTR policy directives to conform such directives to this Act and its amendments.

(Sec. 602) Amends the Small Business Reauthorization Act of 2000 to remove the requirement that the National Research Council provide an updated report on the SBIR program.

(Sec. 603) Requires SBIR awardees to have their primary business operations in the United States.

(Sec. 604) Prohibits SBIR or STTR R&D awards to small businesses with ownership interests by unlawful aliens.

(Sec. 605) Prohibits any future SBIR or STTR R&D awards to applicants found to have engaged in a pattern or practice of hiring, recruiting, or referring for employment in the United States an unauthorized alien.

Actions Timeline

- **Apr 24, 2008:** Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship.
- **Apr 23, 2008:** Rule H. Res. 1125 passed House.
- **Apr 23, 2008:** TWO MINUTE VOTING AUTHORITY - Ms. Velazquez asked unanimous consent that, during consideration of H.R. 5819 pursuant to H. Res. 1125, the Chair may reduce to two minutes the minimum time for electronic voting under clause 6 of rule 18 and clauses 8 and 9 of rule 20. Agreed to without objection.
- **Apr 23, 2008:** Considered under the provisions of rule H. Res. 1125. (consideration: CR H2599-2628)
- **Apr 23, 2008:** Rule provides for consideration of H.R. 5819 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI.
- **Apr 23, 2008:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 1125 and Rule XVIII.
- **Apr 23, 2008:** The Speaker designated the Honorable Diana DeGette to act as Chairwoman of the Committee.
- **Apr 23, 2008:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 5819.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Boswell amendment.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Ehlers amendment.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Sestak amendment.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Matheson amendment.
- **Apr 23, 2008:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Matheson amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Mr. Matheson demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Giffords amendment.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Graves amendment.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Matsui amendment.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Sutton amendment.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Barrow amendment.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Capito amendment.
- **Apr 23, 2008:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Capito amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Mrs. Capito demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Gillibrand amendment.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Velazquez amendment.
- **Apr 23, 2008:** DEBATE - Pursuant to the provisions of H. Res. 1125, the Committee of the Whole proceeded with 10 minutes of debate on the Foster amendment.
- **Apr 23, 2008:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Foster amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Mr. Foster demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the

amendment until later in the legislative day.

- **Apr 23, 2008:** UNFINISHED BUSINESS - The Chair announced that the unfinished business was the question of adoption of amendments which had been debated earlier and on which further proceedings had been postponed.
- **Apr 23, 2008:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 5819.
- **Apr 23, 2008:** The previous question was ordered pursuant to the rule.
- **Apr 23, 2008:** The House adopted the amendment in the nature of a substitute as agreed to by the Committee of the Whole House on the state of the Union. (consideration: CR H2607-2612; text: CR H2607-2612)
- **Apr 23, 2008:** Mr. Heller moved to recommit with instructions to Small Business. (consideration: CR H2625-2628; text: CR H2626)
- **Apr 23, 2008:** DEBATE - The House proceeded with 10 minutes of debate on the Heller motion to recommit with instructions, pending reservation of a point of order. Subsequently, the reservation of a point of order was withdrawn. The instructions contained in the motion seek to require the bill to be reported back to the House with an amendment which provides inclusion of projects that have the potential to lower gasoline and diesel prices.
- **Apr 23, 2008:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H2627)
- **Apr 23, 2008:** On motion to recommit with instructions Failed by recorded vote: 195 - 215 (Roll no. 216). (consideration: CR H2627-2628)
- **Apr 23, 2008:** Passed/agreed to in House: On passage Passed by recorded vote: 368 - 43 (Roll no. 217).
- **Apr 23, 2008:** Motion to reconsider laid on the table Agreed to without objection.
- **Apr 23, 2008:** On passage Passed by recorded vote: 368 - 43 (Roll no. 217).
- **Apr 23, 2008:** The Clerk was authorized to correct section numbers, punctuation, and cross references, and to make other necessary technical and conforming corrections in the engrossment of H.R. 5819.
- **Apr 22, 2008:** Rules Committee Resolution H. Res. 1125 Reported to House. Rule provides for consideration of H.R. 5819 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI.
- **Apr 18, 2008:** Reported (Amended) by the Committee on Small Business. H. Rept. 110-595, Part I.
- **Apr 18, 2008:** Committee on Science and Technology discharged.
- **Apr 18, 2008:** Placed on the Union Calendar, Calendar No. 368.
- **Apr 17, 2008:** Committee Consideration and Mark-up Session Held.
- **Apr 17, 2008:** Ordered to be Reported (Amended) by the Yeas and Nays: 20 - 0.
- **Apr 16, 2008:** Introduced in House
- **Apr 16, 2008:** 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.
- **Jun 26, 2007:** Hearings Held by the Subcommittee on Technology and Innovation Prior to Introduction and Referral.
- **Apr 26, 2007:** Hearings Held by the Subcommittee on Technology and Innovation Prior to Introduction and Referral.