

## S 493

### SBIR/STTR Reauthorization Act of 2011

**Congress:** 112 (2011–2013, Ended)

**Chamber:** Senate

**Policy Area:** Commerce

**Introduced:** Mar 4, 2011

**Current Status:** Cloture on the bill (S. 493) not invoked in Senate by Yea-Nay Vote. 52 - 44. Record Vote Number: 64.

**Latest Action:** Cloture on the bill (S. 493) not invoked in Senate by Yea-Nay Vote. 52 - 44. Record Vote Number: 64. (consideration: CR S2661; text: CR S2661) (May 4, 2011)

**Official Text:** <https://www.congress.gov/bill/112th-congress/senate-bill/493>

### Sponsor

**Name:** Sen. Landrieu, Mary L. [D-LA]

**Party:** Democratic • **State:** LA • **Chamber:** Senate

### Cosponsors (8 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Ayotte, Kelly [R-NH]	R · NH		Mar 4, 2011
Sen. Brown, Scott P. [R-MA]	R · MA		Mar 4, 2011
Sen. Cardin, Benjamin L. [D-MD]	D · MD		Mar 4, 2011
Sen. Kerry, John F. [D-MA]	D · MA		Mar 4, 2011
Sen. Levin, Carl [D-MI]	D · MI		Mar 4, 2011
Sen. Pryor, Mark L. [D-AR]	D · AR		Mar 4, 2011
Sen. Shaheen, Jeanne [D-NH]	D · NH		Mar 4, 2011
Sen. Snowe, Olympia J. [R-ME]	R · ME		Mar 4, 2011

### Committee Activity

Committee	Chamber	Activity	Date
Small Business and Entrepreneurship Committee	Senate	Reported By	Mar 9, 2011

### Subjects & Policy Tags

#### Policy Area:

Commerce

### Related Bills

Bill	Relationship	Last Action
112 HR 1540	Related bill	<b>Dec 31, 2011:</b> Became Public Law No: 112-81.
112 S 1867	Related bill	<b>Dec 1, 2011:</b> See also H.R. 1540.
112 HR 1425	Related bill	<b>Jul 1, 2011:</b> Placed on the Union Calendar, Calendar No. 85.

SBIR/STTR Reauthorization Act of 2011 - **Title I: Reauthorization of the SBIR and STTR Programs** - (Sec. 101) Amends the Small Business Act (the Act) to reauthorize through FY2019 the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs of the Small Business Administration (SBA).

(Sec. 102) Directs the SBA to maintain an Office of Technology to carry out oversight, reporting, and public database responsibilities as assigned by the SBA Administrator.

(Sec. 103) Increases by 0.1% per year, from FY2013-FY2023, the percentage of participating federal agencies' extramural research budget to be set aside for SBIR program activities. Requires the Department of Defense (DOD) and Department of Energy (DOE) to use the increased amounts for activities in their departments that further the readiness levels of technologies developed under Phase II SBIR awards.

(Sec. 104) Increases the set-aside allocation under the STTR from 0.3% to 0.6% by increasing such percentage by 0.1% every two years from FY2013-FY2017.

(Sec. 105) Increases, for both the SBIR and STTR programs, the individual small business award levels from: (1) \$100,000 to \$150,000, for participation at the Phase I level; and (2) \$750,000 to \$1 million, for participation at the Phase II level. Changes from every five years to annually the required SBA inflation adjustment of such awards. Prohibits an agency from issuing an SBIR or STTR award if the award size exceeds established guidelines by more than 50%, and requires participating agencies to maintain specified information on awards exceeding such guidelines.

(Sec. 106) 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 determines 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. 107) Requires federal agencies to conduct solicitations of Phase II SBIR and STTR proposals without any invitation, pre-screening, pre-selection, or down-selection process between the first and second phases.

(Sec. 108) Authorizes the Director of the National Institutes of Health (NIH), the Secretary of Energy, and the Director of the National Science Foundation (NSF), 30 days after notifying the Administrator and the congressional small business committees, to award through competitive, merit-based procedures up to 25% of their respective SBIR funds to small businesses majority-owned by multiple venture capital companies. Permits other federal agencies to award up to 15% of their SBIR funds to such small businesses. Provides conditions under which a small business which was not majority-owned by multiple venture capital companies at the time of application for an SBIR award, but is so owned on the date of the award, may still be eligible for such award. Directs the Administrator to establish requirements relating to the affiliation of small businesses with venture capital companies for such purposes, and requires such small businesses to register with the SBA. Provides for federal agency compliance with such percentage limits. Directs the Administrator to post on the SBA website information on SBIR and STTR program affiliation rules.

(Sec. 109) Requires federal agencies and federal prime contractors, to the greatest extent practicable, to issue Phase III awards relating to technology, including sole source awards, to the SBIR and STTR award recipients that developed the technology.

(Sec. 110) Authorizes the head of each participating federal agency to issue SBIR and STTR awards to small businesses

that have entered, or intend to enter, into a collaborative research and development (R&D) agreement with a federal laboratory or federally funded research and development center. Prohibits a federal agency from: (1) conditioning an award upon entering into such an agreement; (2) approving an agreement if the small business performs a lesser portion of the R&D activities than required by the Act and by SBIR and STTR Policy Directives; or (3) approving an agreement that violates any SBA provision or such Directives. Requires the Administrator to modify such Directives to ensure that small businesses may use the resources of federal laboratories or federally funded research and development centers without entering into such agreements.

(Sec. 111) Requires any federal agency involved in a judicial or administrative case or controversy concerning the SBIR or STTR program to provide timely notice thereof to the Administrator.

(Sec. 112) Allows a small business that receives a Phase II SBIR or STTR award to receive an additional Phase II SBIR or STTR award for that project.

**Title II: Outreach and Commercialization Initiatives** - (Sec. 201) Reauthorizes through FY2016 the Federal and State Technology Partnership (FAST) program (a program of grants and cooperative agreements for strengthening the technological competitiveness of small businesses participating or desiring to participate in SBIR or STTR programs). Provides reduced matching funds requirements for FAST recipients in low-income and rural areas, recipients in one of the states receiving the fewest SBIR Phase I awards, and recipients in rural areas which are also in one of states receiving the fewest number of awards. Limits such grants and cooperative agreements to five years. Requires an annual report during such period from the Administrator to the small business committees on awards made and agreements entered into. Authorizes appropriations.

(Sec. 202) Allows each federal agency conducting an STTR program (under current law, only an SBIR program) to contract for the provision of technical assistance to small businesses participating in that program. Extends from three to five years the authorized period of such assistance. Increases from \$4,000 to \$5,000 the amount authorized to be provided to SBIR or STTR participants under the first and second phases of such projects.

(Sec. 203) Redesignates the Commercialization Pilot Program as the Commercialization Readiness Program, and includes STTR technology projects under such Program. Makes such Program permanent. Authorizes the Secretary of Defense to: (1) establish goals for the transition of phase III technologies in subcontracting plans; and (2) require prime contractors to report on the number and amount of contracts entered into for phase III SBIR or STTR projects. Directs the Secretary to: (1) establish goals for increasing the number of phase II STIR and STTR contracts awarded that lead to technology transition into programs of record or fielded systems; (2) use incentives or create new incentives to encourage agency program managers and prime contractors to meet such goals; and (3) include in a required annual report to Congress information on projects funded through the Program and efforts to transition their technologies into programs of record or fielded systems.

(Sec. 204) Allows the head of each federal agency to allocate up to 10% of SBIR and STTR program funds to establish a pilot program: (1) for awards for technology development, testing, and evaluation of SBIR and STTR phase II technologies; or (2) to support the progress of research or research and development conducted under such programs to phase III. Outlines pilot program application requirements, and requires such agency heads to include pilot program information in required annual reports to the SBA Administrator. Terminates the pilot program at the end of FY2014.

(Sec. 205) Establishes an independent advisory board at the National Academy of Sciences (NAS) to conduct periodic evaluations of the SBIR program at each of the NIH institutes and centers in order to improve program management

through data-driven assessment. Requires the director of the NIH SBIR program to address gaps and deficiencies in data collection identified in a NAS report assessing the NIH's SBIR program. Authorizes such director to initiate a pilot program to spur innovation and test new strategies that may enhance the development of cures and therapies. Requires such director to report annually to Congress and the advisory board on NIH SBIR activities. Requires such director, to the greatest extent practicable, to reduce to 90 days the period between Phase I and II funding of grants under the NIH SBIR program. Terminates the requirements of this section five years after the enactment of this Act.

(Sec. 206) Directs the head of each federal agency participating in an SBIR or STTR program to develop performance measures relating to commercializing research or research and development activities for SBIR or STTR participants that have been awarded multiple Phase I awards but have not been awarded Phase II awards.

(Sec. 207) Further defines "Phase III" for purposes of the SBIR and STTR programs, including what will qualify as "commercialization" under such phase.

(Sec. 208) Requires final decisions on SBIR or STTR program proposals or applications within 90 days after the close of solicitations, or within 180 days thereafter if extended by the Administrator. Allows the NIH Director to make an award under an NIH SBIR or STTR program if the application for the award has undergone technical and scientific peer review under requirements of the Public Health Service Act.

**Title III: Oversight and Evaluation** - (Sec. 301) Directs the SBA, in currently-required annual reports concerning SBIR and STTR programs, to include information on: (1) proposals received from small businesses with venture capital investment; (2) efforts to increase outreach to small businesses owned and controlled by women and socially or economically disadvantaged individuals; (3) implementation and compliance with requirements concerning the allocation of funding to small businesses owned and controlled by multiple venture capital companies; and (4) appeals of Phase III awards, as well as notices of noncompliance with SBIR and STTR Policy Directives. Directs the SBA to coordinate the implementation of electronic databases at participating federal agencies.

(Sec. 302) Requires agencies with an SBIR or STTR program to annually collect information similar to that outlined above for program assessment purposes.

(Sec. 304) Requires specified information concerning SBIR and STTR awardees to be included in public and government databases maintained by the SBA.

(Sec. 306) Directs the Comptroller General (CG), in each of the five years following the enactment of this Act, to: (1) conduct a fiscal and management audit of the SBIR and STTR programs; and (2) report audit results to the small business committees.

(Sec. 307) Amends the Small Business Reauthorization Act of 2000 to continue NAS evaluation of the SBIR program, as well as reports on such evaluation from the National Research Council to participating agency heads and the small business committees. Requires updates every four years.

(Sec. 308) Requires the SBA to include in an annual report to Congress specified information on Phase III awards issued by federal agencies participating in SBIR or STTR programs.

(Sec. 309) Directs the CG to conduct a study of, and report to the small business committees on, federal agency compliance with data rights and technologies protection for SBIR awardees.

(Sec. 310) Requires each federal agency conducting an SBIR or STTR program to obtain consent from program

applicants to release their contact information to economic development organizations.

(Sec. 311) Directs the Administrator to allow each federal agency required to conduct an SBIR program to use up to 3% of such funds for costs relating to administrative, oversight, and contract processing activities, including added costs necessitated by amendments made under this Act.

(Sec. 312) Requires the CG to conduct a study of, and report to Congress on, the impact of requirements of this Act relating to venture capital company involvement in SBIR and STTR programs.

(Sec. 313) Directs the Administrator to: (1) amend the SBIR and STTR Policy Directives to include measures to prevent fraud, waste, and abuse in SBIR and STTR programs; and (2) establish a telephone hotline for reporting such fraud, waste, and abuse. Requires the CG to: (1) conduct a study evaluating federal agency implementation of the amendments made to such Directives; and (2) report study results to the small business committees and SBIR/STTR-participating federal agencies.

(Sec. 314) Requires the Director of the Office of Science and Technology Policy to establish an Interagency SBIR/STTR Policy Committee to review, and make recommendations for improving the effectiveness and efficiency of, SBIR and STTR programs. Requires three reports from the Committee to the small business committees concerning such review and recommendations.

(Sec. 315) Directs the Administrator to issue regulations to ensure that each federal agency required to carry out an SBIR or STTR program simplifies and standardizes the program proposal, selection, contracting, compliance and audit procedures to reduce the paperwork and regulatory compliance burden on small businesses participating in such program.

**Title IV: Policy Directives** - (Sec. 401) Requires the Administrator to: (1) promulgate amendments to the SBIR and STTR Policy Directives to conform them to this Act and its amendments; and (2) publish the amended Directives in the Federal Register.

**Title V: Other Provisions** - (Sec. 501) Directs federal agencies required to establish an SBIR or STTR program, when determining appropriate research topics, to give special priority to applications for the support of projects relating to nanotechnology, rare diseases, security, energy, transportation, or improving the security and quality of the water supply and the efficiency of water systems through the use of technology. Requires such agencies to: (1) give consideration to research topics identified by the NAS, the NIH, and the national nanotechnology strategic plan; and (2) encourage applications from small businesses located in underrepresented or rural areas or areas with excessive unemployment rates, as well as small businesses owned and controlled by women, veterans, or Native Americans. Removes a requirement that certain specified DOD technology or research plans be utilized when identifying appropriate DOD research and development focus under SBIR or STTR programs.

(Sec. 502) Directs each federal agency required to participate in an SBIR or STTR program to: (1) develop metrics to evaluate the effectiveness and benefit of such program; (2) conduct an annual evaluation of their program using such metrics; and (3) report evaluation results annually to the Administrator and Congress.

(Sec. 503) Requires all SBIR or STTR funds to be awarded pursuant to competitive and merit-based selection procedures.

## Actions Timeline

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- **May 4, 2011:** Cloture on the bill (S. 493) not invoked in Senate by Yea-Nay Vote. 52 - 44. Record Vote Number: 64. (consideration: CR S2661; text: CR S2661)
- **May 2, 2011:** Considered by Senate. (consideration: CR S2572-2573)
- **May 2, 2011:** Cloture motion on the bill (S. 493) presented in Senate. (consideration: CR S2572-2573; text: CR S2573)
- **Apr 6, 2011:** Considered by Senate. (consideration: CR S2154-2181, S2182-2183)
- **Apr 5, 2011:** Considered by Senate. (consideration: CR S2111, S2142)
- **Apr 5, 2011:** Motion to table the motion by Senator Paul to commit the bill (S. 493) to the Senate Committee on Foreign Relations with instructions to report back forthwith with instructions (SA 276) agreed to in Senate by Yea-Nay Vote. 90 - 10. Record Vote Number: 50. (consideration: CR S2111)
- **Mar 30, 2011:** Considered by Senate. (consideration: CR S1962-1966)
- **Mar 30, 2011:** Motion by Senator Paul to commit to Senate Committee on Foreign Relations to report back forthwith with instructions (SA 276) made in Senate.
- **Mar 29, 2011:** Considered by Senate. (consideration: CR S1913-1914, S1922-1927)
- **Mar 28, 2011:** Considered by Senate. (consideration: CR S1883-1888)
- **Mar 17, 2011:** Considered by Senate. (consideration: CR S1780-1788)
- **Mar 16, 2011:** Considered by Senate. (consideration: CR S1715-1747)
- **Mar 15, 2011:** Measure laid before Senate by unanimous consent. (consideration: CR S1620-1644, S1647-1673; text of measure as reported in Senate: CR S1620-1631)
- **Mar 15, 2011:** The committee reported amendments were agreed to by Unanimous Consent.
- **Mar 14, 2011:** Motion to proceed to measure considered in Senate. (consideration: CR S1590)
- **Mar 14, 2011:** Cloture on the motion to proceed to the bill invoked in Senate by Yea-Nay Vote. 84 - 12. Record Vote Number: 40. (consideration: CR S1590; text: CR S1590)
- **Mar 10, 2011:** Motion to proceed to consideration of measure made in Senate. (consideration: CR S1543)
- **Mar 10, 2011:** Cloture motion on the motion to proceed to the bill presented in Senate. (consideration: CR S1543; text: CR S1543)
- **Mar 10, 2011:** Motion to proceed to consideration of measure withdrawn in Senate. (consideration: CR S1543)
- **Mar 9, 2011:** Committee on Small Business and Entrepreneurship. Ordered to be reported with amendments favorably.
- **Mar 9, 2011:** Committee on Small Business and Entrepreneurship. Reported with amendments. Without written report.
- **Mar 9, 2011:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 17.
- **Mar 4, 2011:** Introduced in Senate
- **Mar 4, 2011:** Read twice and referred to the Committee on Small Business and Entrepreneurship.