

119TH CONGRESS
1ST SESSION

H. R. 3169

To amend the Small Business Act to reauthorize and modify the Small Business Innovation Research and Small Business Technology Transfer Research programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2025

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Science, Space, 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

A BILL

To amend the Small Business Act to reauthorize and modify the Small Business Innovation Research and Small Business Technology Transfer Research programs, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “SBIR/STTR Reau-
5 thorization Act of 2025”.

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

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—REAUTHORIZATION OF PROGRAMS

- Sec. 101. Extension of SBIR and STTR authority.
- Sec. 102. Extension of FAST Program.

TITLE II—ENHANCING COMPETITION

- Sec. 201. Increasing agency expenditures for SBIR and STTR programs.
- Sec. 202. SBIR and STTR fellowships.
- Sec. 203. Application assistance to broaden participation.
- Sec. 204. Technical and business assistance improvements.
- Sec. 205. Improvements to website relating to the SBIR program or STTR program.

TITLE III—COMMERCIALIZATION IMPROVEMENTS

- Sec. 301. Phase III award education.
- Sec. 302. Technology Commercialization Official.
- Sec. 303. Phase III improvements.

TITLE IV—PILOT PROGRAMS

- Sec. 401. Extend and modify assistance for administrative, oversight, and contract processing costs.
- Sec. 402. Extend and expand the direct to Phase II authority.
- Sec. 403. Extend commercialization readiness program for civilian agencies.
- Sec. 404. Extension of certain SBIR and STTR pilot programs.
- Sec. 405. Extension of due diligence program to assess security risks.

TITLE V—OVERSIGHT AND SIMPLIFICATION INITIATIVES

- Sec. 501. Annual reports to Congress.
- Sec. 502. Comptroller General report on diversification and commercialization.
- Sec. 503. Extend the report on award timeliness.
- Sec. 504. Pilot program to accelerate National Institutes of Health evaluation process.
- Sec. 505. Codifying safeguards for small business concerns majority-owned by venture capital operating companies, hedge funds, or private equity firms.
- Sec. 506. Commercialization impact assessment.

TITLE VI—TECHNICAL CHANGES

- Sec. 601. Inclusion of SBICs in the SBIR and STTR programs.
- Sec. 602. Phase III and sole-source awards.

1 **TITLE I—REAUTHORIZATION OF**
2 **PROGRAMS**

3 **SEC. 101. EXTENSION OF SBIR AND STTR AUTHORITY.**

4 (a) SBIR.—Section 9 of the Small Business Act (15
5 U.S.C. 638) is amended by striking subsection (m).

6 (b) STTR.—Section 9(n)(1)(A) of the Small Busi-
7 ness Act (15 U.S.C. 638(n)(1)(A)) is amended by striking
8 “through fiscal year 2025”.

9 **SEC. 102. EXTENSION OF FAST PROGRAM.**

10 Section 34(i) of the Small Business Act (15 U.S.C.
11 657d(i)) is amended by striking “September 30, 2005”
12 and inserting “September 30, 2030”.

13 **TITLE II—ENHANCING**
14 **COMPETITION**

15 **SEC. 201. INCREASING AGENCY EXPENDITURES FOR SBIR**
16 **AND STTR PROGRAMS.**

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

19 (1) in subsection (f)(1)—

20 (A) in subparagraph (H), by striking
21 “and”;

22 (B) in subparagraph (I), by striking “fiscal
23 year 2017 and each fiscal year thereafter,” and
24 inserting “each of fiscal years 2017 through
25 2025;”; and

1 (C) by inserting after subparagraph (I) the
2 following new subparagraphs:

3 “(J) not less than 4 percent of such budg-
4 et in fiscal years 2026 and 2027;

5 “(K) not less than 5 percent of such budg-
6 et in fiscal years 2028 and 2029;

7 “(L) not less than 6 percent of such budg-
8 et in fiscal years 2030 and 2031; and

9 “(M) not less than 7 percent of such budg-
10 et in fiscal year 2032 and each fiscal year
11 thereafter,”; and

12 (2) in subsection (n)(1)(B)—

13 (A) in clause (iv), by striking “; and” and
14 inserting a semicolon;

15 (B) in clause (v), by striking “fiscal year
16 2016 and each fiscal year thereafter.” and in-
17 serting “each of fiscal years 2016 through
18 2025;”; and

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

20 “(vi) 0.5 percent for fiscal year 2026
21 and 2027;

22 “(vii) 0.65 percent for fiscal year
23 2028 and 2029;

24 “(viii) 0.8 percent for fiscal year 2030
25 and 2031; and

1 “(ix) 1 percent for fiscal year 2032
2 and each fiscal year thereafter.”.

3 **SEC. 202. SBIR AND STTR FELLOWSHIPS.**

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

6 (1) in subsection (f), by adding at the end the
7 following new paragraph:

8 “(5) FELLOWSHIPS.—

9 “(A) IN GENERAL.—A Federal agency may
10 provide grants or awards, either directly or in
11 partnership with a third party, to small busi-
12 ness concerns that have received SBIR or
13 STTR Phase II awards to provide fellowship
14 and internship opportunities at the under-
15 graduate, baccalaureate, graduate, and
16 postdoctoral levels in fields that are important
17 to such Federal agency.

18 “(B) ENHANCED OUTREACH.—Each Fed-
19 eral agency that makes an award or enters into
20 a partnership under subparagraph (A) shall
21 provide for enhanced outreach to increase the
22 participation of women, socially disadvantaged
23 individuals (as described in section 8(a)(5)),
24 and economically disadvantaged individuals (as
25 described section 8(a)(6)(A)) in the fellowship

1 and internship opportunities described under
2 subparagraph (A).

3 “(C) SUPPORT ORGANIZATION.—Each
4 Federal agency that makes an award or enters
5 into a partnership under subparagraph (A) may
6 partner with or provide grants or awards to a
7 third-party organization to support and facili-
8 tate the enhanced outreach under subparagraph
9 (B) provided that such third-party organization
10 is a nonprofit organization with relevant experi-
11 ence and demonstrated expertise in delivery of
12 services described in subparagraph (B).

13 “(D) FUNDING.—In carrying out this
14 paragraph, a Federal agency may use only the
15 following amounts:

16 “(i) With respect to a Federal agency
17 that uses the authority under subsection
18 (mm), the funds authorized under such
19 subsection.

20 “(ii) With respect a Federal agency
21 other than a Federal agency described in
22 clause (i), not more than three percent of
23 the funds required to be expended under
24 paragraph (1).”; and

1 (2) in subsection (n), by adding at the end the
2 following new paragraph:

3 “(4) FELLOWSHIPS.—

4 “(A) IN GENERAL.—A Federal agency may
5 provide grants or awards, either directly or in
6 partnership with a third party, to small busi-
7 ness concerns that have received SBIR or
8 STTR Phase II awards to provide fellowship
9 and internship opportunities at the under-
10 graduate, baccalaureate, graduate, and
11 postdoctoral levels in fields that are important
12 to such Federal agency.

13 “(B) ENHANCED OUTREACH.—Each Fed-
14 eral agency that makes an award or enters into
15 a partnership under subparagraph (A) shall
16 provide for enhanced outreach to increase the
17 participation of women, socially disadvantaged
18 individuals (as described in section 8(a)(5)),
19 and economically disadvantaged individuals (as
20 described section 8(a)(6)(A)) in the fellowship
21 and internship opportunities described under
22 subparagraph (A).

23 “(C) SUPPORT ORGANIZATION.—Each
24 Federal agency that makes an award or enters
25 into a partnership under subparagraph (A) may

1 partner with or provide grants or awards to a
2 third-party organization to support and facili-
3 tate the enhanced outreach under subparagraph
4 (B) provided such third-party organization is a
5 nonprofit organization with relevant experience
6 and demonstrated expertise in delivery of serv-
7 ices described in subparagraph (B).

8 “(D) FUNDING.—In carrying out this
9 paragraph, a Federal agency may use only the
10 following amounts:

11 “(i) With respect to a Federal agency
12 that uses the authority under subsection
13 (mm), the funds authorized under such
14 subsection.

15 “(ii) With respect a Federal agency
16 other than a Federal agency described in
17 clause (i), not more than three percent of
18 the funds required to be expended under
19 paragraph (1).”.

20 **SEC. 203. APPLICATION ASSISTANCE TO BROADEN PARTICI-**
21 **PATION.**

22 (a) IN GENERAL.—Section 9(mm)(1) of the Small
23 Business Act (15 U.S.C. 638(mm)(1)) is amended—

24 (1) in subparagraph (J), by striking “and” at
25 the end;

1 (2) in subparagraph (K), by striking the period
2 at the end and inserting “; and”; and

3 (3) by adding at the end the following new sub-
4 paragraph:

5 “(L) providing small business concerns
6 with assistance applying to the SBIR program
7 or STTR program of the Federal agency, in-
8 cluding providing such assistance to carry out
9 the policy directive required under paragraphs
10 (2)(F) or (5) of subsection (j) and subsection
11 (p)(2)(H) to increase the participation of States
12 with respect to which a low level of SBIR or
13 STTR awards have historically been awarded.”.

14 (b) ENHANCED MINORITY INSTITUTION PARTICIPA-
15 TION.—

16 (1) SBIR.—Section 9(j) of the Small Business
17 Act (15 U.S.C. 638(j)), is amended by adding at the
18 end the following new paragraph:

19 “(5) INCREASED OUTREACH REQUIREMENTS.—
20 Not later than 90 days after the date of the enact-
21 ment of this paragraph, the Administration shall
22 modify the policy directives issued pursuant to this
23 subsection to require enhanced outreach efforts to
24 increase the participation of individuals conducting
25 research at minority institutions (as defined in sec-

1 tion 365 of the Higher Education Act of 1965 (20
2 U.S.C. 1067k)) and Hispanic-serving institutions (as
3 defined in section 502(a) of such Act (20 U.S.C.
4 1101a(a))) in SBIR programs.”.

5 (2) STTR.—Section 9(p)(2) of the Small Busi-
6 ness Act (15 U.S.C. 638(p)(2)) is amended—

7 (A) in subparagraph (F), by striking
8 “and” at the end;

9 (B) in subparagraph (G)(iii), by striking
10 the period at the end and inserting “; and”;
11 and

12 (C) by adding at the end the following new
13 subparagraph:

14 “(H) procedures for outreach efforts to in-
15 crease the participation of individuals con-
16 ducting research at minority institutions (as de-
17 fined in section 365 of the Higher Education
18 Act of 1965 (20 U.S.C. 1067k)) and Hispanic-
19 serving institutions (as defined in section 16
20 502(a) of such Act (20 U.S.C. 1101a(a))) in
21 STTR programs.”.

22 **SEC. 204. TECHNICAL AND BUSINESS ASSISTANCE IM-**
23 **PROVEMENTS.**

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

1 (1) in subsection (q)—

2 (A) in paragraph (1), in the matter pre-
3 ceding subparagraph (A)—

4 (i) by striking “may enter into an
5 agreement with 1 or more vendors selected
6 under paragraph (2)(A) to provide small
7 business concerns engaged in SBIR or
8 STTR projects with technical and business
9 assistance services” and inserting “shall
10 authorize recipients of awards under the
11 SBIR program or the STTR program to
12 select, if desired, technical and business as-
13 sistance provided under subparagraph (A),
14 (B), or (C) of paragraph (3) to provide
15 such recipients with”;

16 (ii) by inserting “cybersecurity assist-
17 ance,” after “intellectual property protec-
18 tions,”; and

19 (iii) by striking “such concerns” and
20 inserting “such recipients”;

21 (B) in paragraph (2), by adding at the end
22 the following:

23 “(C) STAFF.—A small business concern
24 may, by contract or otherwise, use funding pro-
25 vided under this section to hire new staff, aug-

1 ment staff, or direct staff to conduct or partici-
2 pate in training activities consistent with the
3 goals listed in paragraph (1) consistent with the
4 goals listed in paragraph (1).”;

5 (C) in paragraph (3), by striking subpara-
6 graphs (A) and (B) and inserting the following:

7 “(A) PHASE I.—A Federal agency de-
8 scribed in paragraph (1) shall authorize a re-
9 cipient of a Phase I SBIR or STTR award to
10 use not more than \$6,500 per project, included
11 as part of the award of the recipient or in addi-
12 tion to the amount of the award of the recipient
13 as determined appropriate by the head of the
14 Federal agency, for the services described in
15 paragraph (1)—

16 “(i) provided through a vendor se-
17 lected under paragraph (2)(A);

18 “(ii) provided through a vendor other
19 than a vendor selected under paragraph
20 (2)(A);

21 “(iii) achieved through the activities
22 described in paragraph (2)(C); or

23 “(iv) provided through any combina-
24 tion of clauses (i) and (ii).

1 “(B) PHASE II.—A Federal agency de-
2 scribed in paragraph (1) shall authorize a re-
3 cipient of a Phase II SBIR or STTR award to
4 use not more than \$50,000 per project, in-
5 cluded as part of the award of the recipient or
6 in addition to the amount of the award of the
7 recipient as determined appropriate by the head
8 of the Federal agency, for the services described
9 in paragraph (1)—

10 “(i) provided through a vendor se-
11 lected under paragraph (2)(A);

12 “(ii) provided through a vendor other
13 than a vendor selected under paragraph
14 (2)(A);

15 “(iii) achieved through the activities
16 described in paragraph (2)(C); or

17 “(iv) provided through any combina-
18 tion of clauses (i), (ii), and (iii).”; and

19 (D) by adding at the end the following:

20 “(5) TARGETED REVIEW.—A Federal agency
21 may perform targeted reviews of technical and busi-
22 ness assistance funding as described in subsection
23 (mm)(1)(F).”; and

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

25 “(aaa) I-CORPS PARTICIPATION.—

1 “(1) IN GENERAL.—Each Federal agency that,
2 as of January 1, 2025, was required to conduct an
3 SBIR or STTR program with an Innovation Corps
4 program (established under section 601 of the Amer-
5 ican Innovation and Competitiveness Act (42 U.S.C.
6 1862s–8) and commonly known as ‘I–Corps’)
7 shall—

8 “(A) provide an option for participation in
9 an I–Corps teams course, I–Corps bootcamp, or
10 another equivalent training program to recipi-
11 ents of an award under the SBIR or STTR
12 program; and

13 “(B) authorize the recipients described in
14 subparagraph (A) to use amounts authorized
15 under this subsection to participate in the I–
16 Corps teams course, I–Corps bootcamp, or an-
17 other equivalent training program.

18 “(2) COST OF PARTICIPATION.—The cost of
19 participation by a recipient described in paragraph
20 (1)(A) in an I–Corps course, I–Corps bootcamp, or
21 another equivalent training program may be pro-
22 vided by—

23 “(A) an I–Corps team grant;

24 “(B) funds awarded to the recipient under
25 this subsection;

1 “(C) the participating teams or other
2 sources as appropriate; or

3 “(D) any combination of sources described
4 in subparagraphs (A), (B), and (C).”.

5 **SEC. 205. IMPROVEMENTS TO WEBSITE RELATING TO THE**
6 **SBIR PROGRAM OR STTR PROGRAM.**

7 (a) SBIR PROGRAM.—Section 9(g)(8) of the Small
8 Business Act (15 U.S.C. 638(g)(8)) is amended—

9 (1) in subparagraph (B), by striking “and” at
10 the end;

11 (2) in subparagraph (C), by adding “and” at
12 the end; and

13 (3) by adding at the end the following new sub-
14 paragraph:

15 “(D) for each research institution subcon-
16 tracted by a recipient of a Phase I, Phase II,
17 or Phase III SBIR award to perform research
18 or research and development with respect to
19 such award—

20 “(i) the name and location of such re-
21 search institution;

22 “(ii) whether such research institution
23 is—

24 “(I) an institution of higher edu-
25 cation (as such term is defined in sec-

1 tion 101 of the Higher Education Act
2 of 1965 (20 U.S.C. 1001));

3 “(II) a nonprofit institution (as
4 defined in section 4 of the Stevenson-
5 Wydler Technology Innovation Act of
6 1980 (15 U.S.C. 3703)) other than an
7 institution of higher education; or

8 “(III) a federally funded research
9 and development center (as identified
10 by the National Scientific Foundation
11 in accordance with the Federal Acqui-
12 sition Regulation); and

13 “(iii) for each research institution
14 that is an institution of higher education,
15 whether such research institution is—

16 “(I) a part B institution (as de-
17 fined in section 322 of the Higher
18 Education Act of 1965 (20 U.S.C.
19 1061));

20 “(II) a Hispanic-serving institu-
21 tion (as defined in section 502 of such
22 Act (20 U.S.C. 1101a));

23 “(III) a Tribal College or Univer-
24 sity (as defined in section 316 of such
25 Act (20 U.S.C. 1059c));

1 “(IV) an Alaska Native-serving
2 institution or a Native Hawaiian-serv-
3 ing institution (as defined in section
4 317(b) of such Act (20 U.S.C.
5 1059d(b)));

6 “(V) a Predominantly Black In-
7 stitution (as defined in section 371(c)
8 of such Act (20 U.S.C. 1067q(e)));

9 “(VI) an Asian American and
10 Native American Pacific Islander-
11 serving institution (as defined in sec-
12 tion 371(c) of such Act (20 U.S.C. 10
13 1067q(e))); or

14 “(VII) a Native American-serving
15 nontribal institution (as defined in
16 section 371(c) of such Act (20 U.S.C.
17 1067q(e)));”.

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

20 (1) in subparagraph (B), by striking “and” at
21 the end;

22 (2) in subparagraph (C), by adding “and” at
23 the end; and

24 (3) by adding at the end the following new sub-
25 paragraph:

1 “(D) for each research institution subcon-
2 tracted by a recipient of a Phase I or Phase II
3 STTR award to perform research or research
4 and development with respect to such award—

5 “(i) the name and location of such re-
6 search institution;

7 “(ii) whether such research institution
8 is—

9 “(I) an institution of higher edu-
10 cation (as such term is defined in sec-
11 tion 101 of the Higher Education Act
12 of 1965 (20 U.S.C. 1001));

13 “(II) a nonprofit institution (as
14 defined in section 4 of the Stevenson-
15 Wydler Technology Innovation Act of
16 1980 (15 U.S.C. 3703)) other than an
17 institution of higher education; or

18 “(III) a federally funded research
19 and development center (as identified
20 by the National Scientific Foundation
21 in accordance with the Federal Acqui-
22 sition Regulation); and

23 “(iii) for each research institution
24 that is an institution of higher education,
25 whether such research institution is—

1 “(I) a part B institution (as de-
2 fined in section 322 the Higher Edu-
3 cation Act of 1965 (20 U.S.C. 1061));

4 “(II) a Hispanic-serving institu-
5 tion (as defined in section 502 of such
6 Act (20 U.S.C. 1101a));

7 “(III) a Tribal College or Univer-
8 sity (as defined in section 316 of such
9 Act (20 U.S.C. 1059c));

10 “(IV) an Alaska Native-serving
11 institution or a Native Hawaiian-serv-
12 ing institution (as defined in section
13 317(b) of such Act (20 U.S.C.
14 1059d(b)));

15 “(V) a Predominantly Black In-
16 stitution (as defined in section 371(c)
17 of such Act (20 U.S.C. 1067q(e)));

18 “(VI) an Asian American and
19 Native American Pacific Islander-
20 serving institution (as defined in sec-
21 tion 371(e) of such Act (20 U.S.C. 25
22 1067q(e))); or

23 “(VII) a Native American-serving
24 nontribal institution (as defined in

1 section 371(c) of such Act (20 U.S.C.
2 1067q(e));”.

3 (c) DATABASE REPORTING.—

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

6 (A) by striking “Phase I or Phase II SBIR
7 or STTR” each place it appears and inserting
8 “Phase I, Phase II, or Phase III SBIR or
9 STTR”;

10 (B) in paragraph (1)(B)—

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

13 (ii) in clause (iii), by adding “and” at
14 the end; and

15 (iii) by adding at the end the fol-
16 lowing new clause:

17 “(iv) information regarding any re-
18 search institution subcontracted by such
19 small business concern to perform research
20 or research and development with respect
21 to such award, including—

22 “(I) the name and location of
23 such research institution;

24 “(II) whether such research insti-
25 tution is—

1 “(aa) an institution of high-
2 er education (as such term is de-
3 fined in section 101 of the High-
4 er Education Act of 1965 (20
5 U.S.C. 1001));

6 “(bb) a nonprofit institution
7 (as defined in section 4 of the
8 Stevenson-Wydler Technology In-
9 novation Act of 1980 (15 U.S.C.
10 3703)) other than an institution
11 of higher education; or

12 “(cc) a federally funded re-
13 search and development center
14 (as identified by the National
15 Scientific Foundation in accord-
16 ance with the Federal Acquisition
17 Regulation); and

18 “(III) for each research institu-
19 tion that is an institution of higher
20 education (as such term is defined in
21 section 101 of the Higher Education
22 Act of 1965 (20 U.S.C. 1001)),
23 whether such research institution is
24 an institution described in paragraphs

1 (1) through (7) of section 371(a) of
2 such Act (20 U.S.C. 1067q(a));”;

3 (C) in paragraph (2)—

4 (i) in subparagraph (A), by striking
5 “Phase I or Phase II of the SBIR program
6 or the STTR” and inserting “Phase I,
7 Phase II, or Phase III of the SBIR pro-
8 gram or the STTR”;

9 (ii) in subparagraph (F), by striking
10 “and” at the end;

11 (iii) in subparagraph (G)(ii), by strik-
12 ing the period at the end and inserting “;
13 and”; and

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

16 “(H) contains information for each re-
17 search institution subcontracted by a recipient
18 of a Phase I, Phase II, or Phase III STTR or
19 SBIR award to perform research or research
20 and development with respect to such award,
21 including—

22 “(i) the name and location of such re-
23 search institution;

24 “(ii) whether such research institution
25 is—

1 “(I) an institution of higher edu-
2 cation (as such term is defined in sec-
3 tion 101 of the Higher Education Act
4 of 1965 (20 U.S.C. 1001));

5 “(II) a nonprofit institution (as
6 defined in section 4 of the Stevenson-
7 Wydler Technology Innovation Act of
8 1980 (15 U.S.C. 3703)) other than an
9 institution of higher education; or

10 “(III) a federally funded research
11 and development center (as identified
12 by the National Scientific Foundation
13 in accordance with the Federal Acqui-
14 sition Regulation); and

15 “(iii) for each research institution
16 that is an institution of higher education
17 (as such term is defined in section 101 of
18 the Higher Education Act of 1965 (20
19 U.S.C. 1001)), whether such research in-
20 stitution is an institution described in
21 paragraphs (1) through (7) of section
22 371(a) of such Act (20 U.S.C.
23 1067q(a)).”; and

24 (D) in paragraph (3)(C), by striking
25 “Phase I or Phase II award” each place it ap-

1 pears and inserting “Phase I, Phase II, or
2 Phase III award”.

3 (2) DATABASE UPDATE DEADLINE.—Notwith-
4 standing paragraphs (1) or (2) of section 9(k) of the
5 Small Business Act (15 U.S.C. 638(k)), the Admin-
6 istrator shall, not later than 1 year after the date
7 of the enactment of this Act, include—

8 (A) in the database described such para-
9 graph (1) the information required under such
10 paragraph, as amended by subparagraphs (A)
11 and (B) of paragraph (1) of this Act; and

12 (B) in the database described such para-
13 graph (2) the information required under such
14 paragraph, as amended by subparagraphs (A)
15 and (C) of paragraph (1) of this Act.

16 **TITLE III—COMMERCIALIZATION** 17 **IMPROVEMENTS**

18 **SEC. 301. PHASE III AWARD EDUCATION.**

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

22 “(5) WORKFORCE TRAINING.—

23 “(A) IN GENERAL.—The Administrator, in
24 coordination with the Secretary of Defense, the
25 Administrator of the General Services Adminis-

1 tration, and the head of any such other Federal
2 agency that the Administrator determines ap-
3 propriate, shall establish training activities for
4 contracting officers and agency acquisition
5 workforce of Federal agencies to ensure that
6 such individuals are fully aware of all aspects of
7 Phase III acquisitions under the SBIR and
8 STTR programs, as applicable.

9 “(B) TRAINING TOPICS.—The training ac-
10 tivities required under subparagraph (A) shall
11 include training on—

12 “(i) the missions, goals, and authori-
13 ties of the SBIR and STTR programs;

14 “(ii) the use of Phase III agreement;

15 “(iii) Phase III data rights; and

16 “(iv) the execution of Phase III sole
17 source award contracts.

18 “(C) DEFINITIONS.—In this paragraph:

19 “(i) AGENCY ACQUISITION WORK-
20 FORCE.—The term ‘agency acquisition
21 workforce’ means the employees of a Fed-
22 eral agency that have procurement or ac-
23 quisition responsibilities, including—

1 “(I) employees described in sec-
2 tion 1703 of title 41, United States
3 Code; and

4 “(II) individuals that are part of
5 the acquisition workforce (as such
6 term is defined in section 101(a) of
7 title 10, United States Code).

8 “(ii) PHASE III ACQUISITION.—The
9 term ‘Phase III acquisition’ means the ac-
10 quisition of a good or service from a par-
11 ticipant in Phase III that such participant
12 has commercialized or is seeking to com-
13 mercialize as such a participant.”.

14 **SEC. 302. TECHNOLOGY COMMERCIALIZATION OFFICIAL.**

15 Section 9 of the Small Business Act (15 U.S.C. 638),
16 as amended by section 204, is further amended by adding
17 at the end the following new subsection:

18 “(bbb) TECHNOLOGY COMMERCIALIZATION OFFI-
19 CIAL.—The head of each Federal agency required to es-
20 tablish an SBIR or STTR program shall—

21 “(1) designate an existing official within such
22 Federal agency as the Technology Commercialization
23 Official of such Federal agency, who shall—

24 “(A) have sufficient experience with com-
25 mercialization;

1 “(B) provide guidance to recipients of
2 SBIR or STTR awards on commercializing and
3 transitioning technologies;

4 “(C) coordinate with the Administrator
5 and the Technology Commercialization Officials
6 of other Federal agencies to identify additional
7 markets and commercialization pathways for
8 promising SBIR and STTR program tech-
9 nologies;

10 “(D) submit to the Administrator an an-
11 nual report on the number of technologies from
12 such SBIR or STTR program that have ad-
13 vanced commercialization activities, including
14 the relevant information required in the com-
15 mercialization impact assessment report under
16 subsection (ccc);

17 “(E) identify and advocate for SBIR and
18 STTR technologies with sufficient technology
19 and commercialization readiness to advance to
20 Phase III awards or other non-SBIR or STTR
21 program contracts;

22 “(F) submit to the Administrator an an-
23 nual report on—

24 “(i) the actions taken by such Federal
25 agency to simply, standardize, and expedite

1 the application process and requirements,
2 procedures, and contracts as required
3 under subsection (hh); and

4 “(ii) the results of the actions taken
5 under clause (i); and

6 “(G) carry out such other duties as the
7 head of such Federal agency determines nec-
8 essary; or

9 “(2) identify an official in such Federal agency
10 carrying out responsibilities that are substantially
11 similar to those described in subparagraphs (A)
12 through (F) of paragraph (1).”.

13 **SEC. 303. PHASE III IMPROVEMENTS.**

14 (a) **PROCUREMENT CENTER REPRESENTATIVE DI-**
15 **RECTIVES.—**

16 (1) **IN GENERAL.—**Section 9(j)(4) of the Small
17 Business Act (15 U.S.C. 638(j)(4)) is amended by
18 inserting before the period at the end the following:

19 “, and advocate for the maximum practicable use
20 and transition of products, services, and technologies
21 developed under SBIR or STTR programs to Phase
22 III by means of Phase III awards to small business
23 concerns”.

24 (2) **MODIFICATION DEADLINE.—**Not later than
25 one year after the date of the enactment of this Act,

1 the Administrator of the Small Business Administra-
2 tion shall modify the policy directives issues pursu-
3 ant to subsection (j) of section 9 of the Small Busi-
4 ness Act (15 U.S.C. 638(j)) in accordance with
5 paragraph (4) of such subsection, as amended by
6 paragraph (1).

7 (b) PHASE III AWARD SIMPLIFICATION.—Section
8 9(r)(4) of the Small Business Act (15 U.S.C. 638(r)(4))
9 is amended—

10 (1) in subparagraph (A), by striking “and” at
11 the end;

12 (2) in subparagraph (B), by striking the period
13 at the end and inserting “; and”; and

14 (3) by adding at the end the following new sub-
15 paragraphs:

16 “(C) report to the Administrator on the
17 actions taken by the Federal agency or Federal
18 prime contractor to develop simplified and
19 standardized procedures and model contracts
20 for Phase I, Phase II, and Phase III SBIR
21 awards; and

22 “(D) shall issue standardized solicitation
23 provisions and contract clauses which provide
24 clear guidance on the information that small
25 business concerns participating in SBIR or

1 STTR programs can be expected to provide as
2 part of market research or as part of a proposal
3 by such small business concern to establish eli-
4 gibility for Phase III awards.”.

5 **TITLE IV—PILOT PROGRAMS**

6 **SEC. 401. EXTEND AND MODIFY ASSISTANCE FOR ADMINIS-** 7 **TRATIVE, OVERSIGHT, AND CONTRACT PROC-** 8 **ESSING COSTS.**

9 (a) IN GENERAL.—Section 9(mm) of the Small Busi-
10 ness Act (15 U.S.C. 638(mm)), as amended by section
11 202, is further amended—

12 (1) by designating the text of paragraph (1) as
13 subparagraph (A); and

14 (2) in paragraph (1)—

15 (A) by redesignating subparagraphs (A)
16 through (L) as clauses (i) through (xii), respec-
17 tively;

18 (B) by striking “September 30, 2025” and
19 inserting “September 30, 2030”;

20 (C) by striking “3 percent” and inserting
21 “3.3 percent”; and

22 (D) by adding at the end the following new
23 subparagraph:

24 “(B) TRANSFER OF FUNDS.—

1 “(i) IN GENERAL.—Not later than 2
2 months after the date of the enactment of
3 an Act providing appropriations for the
4 Department of Defense, the Department of
5 Energy, the Department of Health and
6 Human Services, the National Aeronautics
7 and Space Administration, or the National
8 Science Foundation, the head of each such
9 entity for which such Act provided appro-
10 priations shall transfer not less than 10
11 percent of the amount of the funds used
12 for the purposes described in clauses (i)
13 through (xii) of subparagraph (A) to the
14 Administrator to increase the resources of
15 the Administration for administering the
16 SBIR and STTR programs.

17 “(ii) FUND USE LIMITS.—None of the
18 funds transferred under clause (i) may be
19 used for or with respect to any program
20 established under the Small Business In-
21 vestment Act of 1958 (15 U.S.C. 661 et
22 seq.).”.

23 (b) INCREASING PARTICIPATION OF UNDERSERVED
24 POPULATIONS IN THE SBIR AND STTR PROGRAMS.—

1 (1) IN GENERAL.—Section 9(mm)(2) of the
2 Small Business Act (15 U.S.C. 638(mm)(2)) is
3 amended to read as follows:

4 “(2) OUTREACH AND TECHNICAL ASSIST-
5 ANCE.—A Federal agency participating in the pro-
6 gram under this subsection may use a portion of the
7 funds authorized for uses under paragraph (1) to
8 carry out the policy directive required under sub-
9 section (j)(2)(F) and to increase the participation of
10 States with respect to which a low level of SBIR
11 awards have historically been awarded.”.

12 (2) CONFORMING AMENDMENT.—Section
13 9(mm)(6) of the Small Business Act (15 U.S.C.
14 638(mm)(6)) is amended by striking “including”
15 and all that follows and inserting the following: “in-
16 cluding—

17 “(A) the use of funds transferred under
18 subparagraph (B) of paragraph (1) for the uses
19 authorized in such subparagraph and to achieve
20 the objectives of paragraph (2); and

21 “(B) the use of other funds under this
22 subsection to achieve such objectives.”.

1 **SEC. 402. EXTEND AND EXPAND THE DIRECT TO PHASE II**
2 **AUTHORITY.**

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

5 (1) by designating the text of subsection (cc) as
6 paragraph (1); and

7 (2) in subsection (cc)—

8 (A) by striking “2012 through 2025” and
9 inserting “2012 through 2030”;

10 (B) by striking “the National Institutes of
11 Health, the Department of Defense, and the
12 Department of Education may each” and in-
13 serting “each Federal agency required to carry
14 out an SBIR program may”; and

15 (C) by adding at the end the following new
16 paragraphs:

17 “(2) **LIMITATION.**—The total value of awards
18 provided by a Federal agency under this subsection
19 in a fiscal year shall be—

20 “(A) except as provided in subparagraph
21 (B), not more than 10 percent of the total
22 funds allocated to the SBIR program of the
23 Federal agency during that fiscal year; and

24 “(B) with respect to the National Insti-
25 tutes of Health, not more than 15 percent of
26 the total funds allocated to the SBIR program

1 of the National Institutes of Health during that
2 fiscal year.

3 “(3) REPORT.—Each head of a Federal agency
4 that exercises the authority under this subsection
5 shall include in the next report submitted by such
6 Federal agency under (g)(9) following such exercise
7 the number and amount of awards provided under
8 this subsection by such Federal agency in the period
9 covered by such report.”.

10 **SEC. 403. EXTEND COMMERCIALIZATION READINESS PRO-**
11 **GRAM FOR CIVILIAN AGENCIES.**

12 Section 9(gg) of the Small Business Act (15 U.S.C.
13 638(gg)) is amended—

14 (1) in the heading, by striking “PILOT” and in-
15 sserting “CIVILIAN AGENCIES COMMERCIALIZATION
16 READINESS”;

17 (2) by striking “pilot program” each place it
18 appears and inserting “covered program”; and

19 (3) by striking “fiscal year 2025” and inserting
20 “fiscal year 2030”.

21 **SEC. 404. EXTENSION OF CERTAIN SBIR AND STTR PILOT**
22 **PROGRAMS.**

23 (a) PHASE 0 PROOF OF CONCEPT PARTNERSHIP
24 PROGRAM.—Section 9(jj)(7) of the Small Business Act
25 (15 U.S.C. 638(jj)(7)) is amended by striking “at the end

1 of fiscal year 2025” and inserting “on September 30,
2 2030”.

3 (b) COMMERCIALIZATION ASSISTANCE PILOT PRO-
4 GRAMS.—Section 9(uu)(3) of the Small Business Act (15
5 U.S.C. 638(uu)(3)) is amended by striking “September
6 30, 2025” and inserting “September 30, 2030”.

7 **SEC. 405. EXTENSION OF DUE DILIGENCE PROGRAM TO AS-**
8 **SESS SECURITY RISKS.**

9 Section 9(vv)(3)(C) of the Small Business Act (15
10 U.S.C. 638(vv)(3)(C)) is amended by striking “September
11 30, 2025” and inserting “September 30, 2030”.

12 **TITLE V—OVERSIGHT AND**
13 **SIMPLIFICATION INITIATIVES**

14 **SEC. 501. ANNUAL REPORTS TO CONGRESS.**

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

17 (1) in subsection (g)(9)—

18 (A) by inserting “the House Committee on
19 Small Business, Senate Committee on Small
20 Business and Entrepreneurship,” after “SBIR
21 program to”;

22 (B) by inserting a comma after “Adminis-
23 tration”; and

24 (C) by inserting after “Technology Policy”
25 the following: “and publish such report on the

1 website of such Federal agency as soon as prac-
2 ticable”;

3 (2) in subsection (o)(10)—

4 (A) by inserting “House Committee on
5 Small Business, Senate Committee on Small
6 Business and Entrepreneurship,” after “STTR
7 program to”;

8 (B) by inserting a comma after “Adminis-
9 tration”; and

10 (C) by inserting after “Technology Policy”
11 the following: “and publish such report on the
12 website of such Federal agency as soon as prac-
13 ticable”; and

14 (3) in subsection (gg)(6), by inserting “Con-
15 gress and” after “agency to”.

16 **SEC. 502. COMPTROLLER GENERAL REPORT ON DIVER-**
17 **SIFICATION AND COMMERCIALIZATION.**

18 (a) IN GENERAL.—Not later than three years after
19 the date of the enactment of this Act, the Comptroller
20 General of the United States shall submit to the Com-
21 mittee on Small Business and Entrepreneurship of the
22 Senate and the Committee on Small Business of the
23 House of Representatives a report on the effectiveness of
24 the SBIR and STTR programs with respect to diversifica-
25 tion of participants and commercialization.

1 (b) CONTENTS.—The report shall include, to the ex-
2 tent practicable, an assessment of—

3 (1) the demographics of small business concerns
4 receiving SBIR or STTR awards, including new en-
5 trants and underrepresented groups;

6 (2) the efforts of participating agencies to
7 broaden representation and participation of new en-
8 trants and underrepresented groups in the SBIR
9 and STTR programs;

10 (3) how participating agencies develop sollicita-
11 tion topics and attract applicants;

12 (4) the efforts of participating agencies to sup-
13 port technology commercialization;

14 (5) the extent to which the SBIR and STTR
15 awards made by each participating agency align with
16 the research priorities and technology needs of that
17 participating agency; and

18 (6) such other matters as the Comptroller Gen-
19 eral, in consultation with the Committee on Small
20 Business and Entrepreneurship of the Senate and
21 the Committee on Small Business of the House of
22 Representatives, determines appropriate.

23 (c) DEFINITIONS.—In this section:

24 (1) FEDERAL AGENCY; SBIR; STTR.—The terms
25 “Federal agency”, “SBIR”, and “STTR” have the

1 meanings given such terms in section 9(e) of the
2 Small Business Act (15 U.S.C. 638(e)).

3 (2) NEW ENTRANT.—The term “new entrant”
4 means a small business concern that has not pre-
5 viously received an SBIR or STTR award.

6 (3) UNDERREPRESENTED GROUPS.—The term
7 “underrepresented groups” means small business
8 concerns located in States with respect to which a
9 low level of SBIR and STTR awards have histori-
10 cally been awarded, small business concerns owned
11 and controlled by women, and small business con-
12 cerns owned and controlled by socially and economi-
13 cally disadvantaged individuals.

14 (4) PARTICIPATING AGENCY.—The term “par-
15 ticipating agency” means a Federal agency carrying
16 out an SBIR or STTR program under section 9 of
17 the Small Business Act (15 U.S.C. 638).

18 (5) SMALL BUSINESS CONCERN.—The term
19 “small business concern” has the meaning given
20 such term under section 3 of the Small Business Act
21 (15 U.S.C. 632).

22 (6) SMALL BUSINESS CONCERN OWNED AND
23 CONTROLLED BY SOCIALLY AND ECONOMICALLY DIS-
24 ADVANTAGED INDIVIDUALS; SMALL BUSINESS CON-
25 CERN OWNED AND CONTROLLED BY WOMEN.—The

1 terms “small business concern owned and controlled
2 by socially and economically disadvantaged individ-
3 uals” and “small business concern owned and con-
4 trolled by women” have the meanings given such
5 terms in section 8(d) of the Small Business Act (15
6 U.S.C. 637(d)).

7 **SEC. 503. EXTEND THE REPORT ON AWARD TIMELINESS.**

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

10 (1) in the matter preceding clause (i), by strik-
11 ing “3 years” and inserting “11 years”;

12 (2) in clause (i), by striking “and” at the end;

13 (3) by redesignating clause (ii) as clause (iii);

14 and

15 (4) by inserting after clause (i) the following
16 new clause:

17 “(ii) provides the average and median
18 amount of time that each Federal agency
19 with an SBIR or STTR program takes to
20 review and make a final decision on pro-
21 posals submitted under the program; and”.

1 **SEC. 504. PILOT PROGRAM TO ACCELERATE NATIONAL IN-**
2 **STITUTES OF HEALTH EVALUATION PROC-**
3 **ESS.**

4 (a) IN GENERAL.—Section 9(hh) of the Small Busi-
5 ness Act (15 U.S.C. 638(hh)) is amended by adding at
6 the end the following new paragraph:

7 “(3) PILOT PROGRAM TO ACCELERATE THE NA-
8 TIONAL INSTITUTES OF HEALTH SBIR AND STTR
9 AWARDS.—

10 “(A) IN GENERAL.—Not later than 1 year
11 after the date of the enactment of this para-
12 graph, the Director of the National Institutes of
13 Health shall establish a pilot program to reduce
14 the time for awards under the SBIR and STTR
15 programs of the National Institutes of Health.

16 “(B) AWARD PROCEDURES.—In carrying
17 out the pilot program under subparagraph (A),
18 the Director shall develop simplified and stand-
19 arized procedures across all relevant awarding
20 offices at the National Institutes of Health and
21 reduce the amount of time between the provi-
22 sion of notice of such awards and the subse-
23 quent release of funding with respect to the
24 awards to be as close to 90 days as possible.

25 “(C) MERIT REVIEW.—

1 “(i) IN GENERAL.—Under the pilot
2 program under subparagraph (A), the Di-
3 rector of the National Institutes of Health
4 may, with respect to awards under the
5 SBIR and STTR programs of the National
6 Institutes of Health, use such peer review
7 procedures (including consultation with ap-
8 propriate scientific experts) as the Director
9 determines to be appropriate to obtain as-
10 sessments of scientific and technical merit
11 and potential for commercialization.

12 “(ii) DEEMED.—The use of peer re-
13 view procedures under clause (i) shall be
14 deemed to fulfill any requirements applica-
15 ble to the award under the SBIR or STTR
16 program of the National Institutes of
17 Health under sections 406(a)(3)(A) and
18 492 of the Public Health Service Act (42
19 U.S.C. 284a(a)(3)(A); 289a).

20 “(D) TERMINATION.—The pilot program
21 under subparagraph (A) shall terminate on
22 September 30, 2030.”.

23 (b) EVALUATION REPORT.—Not later than three
24 years after the date of enactment of this Act, the Director
25 of the National Institutes of Health shall submit to the

1 Committees on Small Business and Science, Space, and
2 Technology of the House of Representatives and the Com-
3 mittee on Small Business and Entrepreneurship of the
4 Senate an evaluation of the pilot program established
5 under paragraph (3) of section 9(hh) of the Small Busi-
6 ness Act (15 U.S.C. 638(hh)), as added by subsection (a),
7 including an analysis of the peer review procedures used
8 under subparagraph (C) of such paragraph and the effects
9 on award times.

10 **SEC. 505. CODIFYING SAFEGUARDS FOR SMALL BUSINESS**
11 **CONCERNS MAJORITY-OWNED BY VENTURE**
12 **CAPITAL OPERATING COMPANIES, HEDGE**
13 **FUNDS, OR PRIVATE EQUITY FIRMS.**

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

16 (1) in paragraph (6)(B), by striking “If a Fed-
17 eral” and inserting “Except as provided in para-
18 graph (8), if a Federal”; and

19 (2) by adding at the end the following new
20 paragraph:

21 “(8) PARTICIPATION LIMITS.—

22 “(A) IN GENERAL.—A small business con-
23 cern that is majority-owned by multiple venture
24 capital operating companies, hedge funds, or
25 private equity firms is ineligible to receive an

1 award under any SBIR program if the Admin-
2 istrator determines that such small business
3 concern is, or is owned and controlled in major-
4 ity part by, a covered foreign entity.

5 “(B) OWNERSHIP DETERMINATION.—In
6 determining whether a small business concern is
7 ineligible to receive an award under any SBIR
8 program under subparagraph (A), the Adminis-
9 trator shall consider whether the small business
10 concern is a direct or indirect subsidiary of a
11 foreign-owned firm.

12 “(C) SIZE STANDARDS.—The Adminis-
13 trator shall establish size standards for small
14 business concerns seeking to participate in an
15 SBIR program solely under the authority under
16 this section.

17 “(D) DEFINITIONS.—In this paragraph:

18 “(i) COVERED FOREIGN ENTITY.—the
19 term ‘covered foreign entity’—

20 “(I) means—

21 “(aa) a foreign entity of
22 concern;

23 “(bb) a government or polit-
24 ical party of a foreign country of
25 concern;

1 “(cc) a natural person who
2 is not a lawful permanent resi-
3 dent of the United States, citizen
4 of the United States, or any
5 other protected individual (as
6 such term is defined in section
7 274B(a)(3) of the Immigration
8 and Nationality Act (8 U.S.C.
9 1324b(a)(3))); or

10 “(dd) a partnership, associa-
11 tion, corporation, organization, or
12 other combination of persons or-
13 ganized under the laws of or hav-
14 ing its principal place of business
15 in a foreign country of concern;
16 and

17 “(II) includes—

18 “(aa) any entity owned by,
19 controlled by, or subject to the
20 jurisdiction or direction of a an
21 entity listed in subclause (I);

22 “(bb) any person, wherever
23 located, who acts as an agent,
24 representative, or employee of an
25 entity listed in subclause (I);

1 “(cc) any person who acts in
2 any other capacity at the order,
3 request, or under the direction or
4 control, of an entity listed in sub-
5 clause (I), or of a person whose
6 activities are directly or indirectly
7 supervised, directed, controlled,
8 financed, or subsidized in whole
9 or in majority part by an entity
10 listed in subclause (I);

11 “(dd) any person who di-
12 rectly or indirectly through any
13 contract, arrangement, under-
14 standing, relationship, or other-
15 wise, owns 25 percent or more of
16 the equity interests of an entity
17 listed in subclause (I);

18 “(ee) any person with sig-
19 nificant responsibility to control,
20 manage, or direct an entity listed
21 in subclause (I);

22 “(ff) any person, wherever
23 located, who is a citizen or resi-
24 dent of a country controlled by

1 an entity listed in subclause (I);

2 or

3 “(gg) any corporation, part-
4 nership, association, or other or-
5 ganization organized under the
6 laws of a country controlled by
7 an entity listed in subclause (I).

8 “(ii) FOREIGN ENTITY OF CON-
9 CERN.—The term ‘foreign entity of con-
10 cern’ means a foreign entity that is—

11 “(I) designated as a foreign ter-
12 rorist organization by the Secretary of
13 State under section 219(a) of the Im-
14 migration and Nationality Act (8
15 U.S.C. 1189(a));

16 “(II) included on the list of spe-
17 cially designated nationals and
18 blocked persons maintained by the Of-
19 fice of Foreign Assets Control of the
20 Department of the Treasury (com-
21 monly known as the SDN list);

22 “(III) owned by, controlled by, or
23 subject to the jurisdiction or direction
24 of a government of a foreign country
25 that is a covered nation (as such term

1 is defined in section 4872 of title 10,
2 United States Code);

3 “(IV) alleged by the Attorney
4 General to have been involved in ac-
5 tivities for which a conviction was ob-
6 tained under—

7 “(aa) chapter 37 of title 18,
8 United States Code (commonly
9 known as the Espionage Act);

10 “(bb) section 951 or 1030 of
11 such title;

12 “(cc) chapter 90 of such
13 title (commonly known as the
14 Economic Espionage Act of
15 1996);

16 “(dd) the Arms Export Con-
17 trol Act (22 U.S.C. 2751 et seq.);

18 “(ee) section 224, 225, 226,
19 227, or 236 of the Atomic En-
20 ergy Act of 1954 (42 U.S.C.
21 2274, 2275, 2276, 2277, and
22 2284);

23 “(ff) the Export Control Re-
24 form Act of 2018 (50 U.S.C.
25 4801 et seq.); or

1 “(gg) the International
2 Emergency Economic Powers Act
3 (50 U.S.C. 1701 et seq.); or

4 “(V) determined by the Secretary
5 of Commerce, in consultation with the
6 Secretary of Defense and the Director
7 of National Intelligence, to be engaged
8 in unauthorized conduct that is detri-
9 mental to the national security or for-
10 eign policy of the United States.”.

11 (b) APPLICABILITY.—The amendments made by sub-
12 section (a) shall apply only with respect to awards made
13 under an Small Business Innovation Research Program
14 (as defined in section 9(e) of the Small Business Act (15
15 U.S.C. 638(e))) after the date of the enactment of this
16 Act.

17 **SEC. 506. COMMERCIALIZATION IMPACT ASSESSMENT.**

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

21 “(ccc) COMMERCIALIZATION IMPACT ASSESSMENT.—

22 “(1) IN GENERAL.—The Administrator, shall
23 coordinate with the head of each Federal agency
24 with an SBIR or STTR program to develop an an-
25 nual commercialization impact assessment, which

1 shall measure, for each small business concern that
2 has received not less than 50 Phase II on or after
3 October 1 of the ninth full fiscal year beginning be-
4 fore the fiscal year in which the assessment is car-
5 ried out—

6 “(A) the total dollar value of Federal
7 awards, including subgrants, contracts, and
8 subcontracts, other than SBIR or STTR
9 awards, received by the small business concern
10 in the preceding 9 fiscal years;

11 “(B) the total dollar value of all SBIR and
12 STTR Phase I and Phase II awards received by
13 the small business concern in the preceding 9
14 fiscal years;

15 “(C) the average annual gross revenue of
16 the small business concern over the preceding 9
17 fiscal years;

18 “(D) the total revenue of the small busi-
19 ness concern received or realized in the pre-
20 ceeding 9 fiscal years from the sale or licensing
21 of any product or service resulting from re-
22 search conduct under an SBIR or STTR
23 award, disaggregated by the revenue from such
24 sales and the revenue from such licensing;

1 “(E) additional investments in the small
2 business concern from any source, other than a
3 Phase I or Phase II SBIR or STTR awards, to
4 further the research and development conducted
5 under an SBIR or STTR award received by the
6 small business concern in the preceding 9 fiscal
7 years;

8 “(F) any mergers and acquisitions of
9 SBIR or STTR award recipients during or
10 after the completion of a Phase II award;

11 “(G) any new, unique spin-out companies
12 and third party revenues from any business in
13 the preceding 9 fiscal years resulting from re-
14 search conducted by the small business concern
15 under an SBIR or STTR award;

16 “(H) the year in which the first Phase II
17 award was received by the small business con-
18 cern and the total number of employees of the
19 small business concern at the time of first
20 Phase II award;

21 “(I) the number of employees, as of the
22 end of the most recently completed fiscal year;
23 and

1 “(J) the total number and value of Phase
2 III awards received by the small business con-
3 cern.

4 “(2) PUBLICATION.—The Administrator shall
5 create a report on the findings of each commer-
6 cialization impact assessment and shall—

7 “(A) include such report in the annual re-
8 port required under subsection (b)(7); and

9 “(B) submit such report to—

10 “(i) the Committee on Small Business
11 and Entrepreneurship of the Senate; and

12 “(ii) the Committees on Science,
13 Space, and Technology and on Small Busi-
14 ness of the House of Representatives.”.

15 **TITLE VI—TECHNICAL CHANGES**

16 **SEC. 601. INCLUSION OF SBICS IN THE SBIR AND STTR PRO-** 17 **GRAMS.**

18 Section 9 of the Small Business Act (15 U.S.C. 638),
19 as amended by section 505, is further amended—

20 (1) by striking “or private equity firm invest-
21 ment” each place that term appears and inserting
22 “private equity firm, or SBIC investment”;

23 (2) by striking “or private equity firms” each
24 place that term appears and inserting “private eq-
25 uity firms, or SBICs”;

1 (3) in subsection (e)—

2 (A) in paragraph (18), by striking “and”
3 at the end;

4 (B) in paragraph (19), by striking the pe-
5 riod at the end and inserting “; and”; and

6 (C) by adding at the end the following new
7 paragraph:

8 “(20) the term ‘SBIC’ means a small business
9 investment company as defined in section 103 of the
10 Small Business Investment Act of 1958 (15 U.S.C.
11 662).”; and

12 (4) in the heading for subsection (dd), by strik-
13 ing “OR PRIVATE EQUITY FIRMS” and inserting
14 “PRIVATE EQUITY FIRMS, OR SBICS”.

15 **SEC. 602. PHASE III AND SOLE-SOURCE AWARDS.**

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

18 (1) in the heading, by inserting “SOLE SOURCE
19 AND OTHER” after “JUSTIFICATION FOR”; and

20 (2) in the heading for paragraph (4), by insert-
21 ing “SOLE SOURCE AND OTHER” after “JUSTIFICA-
22 TION FOR”.

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