

115TH CONGRESS
1ST SESSION

H. R. 2763

IN THE SENATE OF THE UNITED STATES

OCTOBER 16, 2017

Received; read twice and referred to the Committee on Small Business and
Entrepreneurship

AN ACT

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

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

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

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “The Small Business Innovation Research and Small
 4 Business Technology Transfer Improvements Act of
 5 2017”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Requiring insertion incentives.
- Sec. 3. Additional SBIR and STTR technology insertion reporting requirement.
- Sec. 4. Encouraging innovation in United States manufacturing.
- Sec. 5. Encouraging innovation in cybersecurity.
- Sec. 6. Compliance of Phase III awards with competitive procedures.
- Sec. 7. Improvements to technical and business assistance in the SBIR and STTR programs.
- Sec. 8. Procurement center representatives and other acquisition personnel in the SBIR and STTR programs.
- Sec. 9. Increased outreach requirements.
- Sec. 10. Annual meeting.
- Sec. 11. Establishing the Civilian Agency Commercialization Readiness Program.
- Sec. 12. Commercialization assistance pilot programs.
- Sec. 13. Phase 0 Proof of Concept Partnership Pilot Program.
- Sec. 14. Reporting requirements.
- Sec. 15. SBIR Phase flexibility.
- Sec. 16. Extension of deadline for assistance for administrative, oversight, and contract processing costs.

8 **SEC. 2. REQUIRING INSERTION INCENTIVES.**

9 Section 9(y)(5) of the Small Business Act (15 U.S.C.
 10 638(y)(5)) is amended by striking “is authorized to” and
 11 inserting “shall”.

12 **SEC. 3. ADDITIONAL SBIR AND STTR TECHNOLOGY INSER-**
 13 **TION REPORTING REQUIREMENT.**

14 Section 9(y)(6) of the Small Business Act (15 U.S.C.
 15 638(y)(6)) is amended—

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

3 (2) in subparagraph (C)(iii), by striking the pe-
4 riod at the end and inserting “; and”; and

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

7 “(D) not later than 120 days after the
8 date of the enactment of this subparagraph,
9 and not later than December 31 of each year
10 thereafter, submit to the Committee on Science,
11 Space, and Technology and the Committee on
12 Small Business of the House of Representa-
13 tives, and to the Committee on Small Business
14 and Entrepreneurship of the Senate, a report
15 describing the goals set under subparagraph
16 (A) and the incentives used or created under
17 subparagraph (B).”.

18 **SEC. 4. ENCOURAGING INNOVATION IN UNITED STATES**

19 **MANUFACTURING.**

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

23 “(tt) ENCOURAGING INNOVATION IN UNITED STATES
24 MANUFACTURING.—In carrying out this section, the Ad-
25 ministrator shall—

1 “(1) ensure that, in selecting small business
2 concerns to participate in SBIR or STTR programs
3 under this section, Federal agencies give high pri-
4 ority to small manufacturing companies and other
5 small business concerns engaged in or planning to
6 engage in manufacturing research and development
7 for the purpose of developing and producing new
8 products and technologies in the United States; and

9 “(2) include in the annual report to Congress
10 under subsection (b)(7) a determination of whether
11 the priority described in paragraph (1) is being car-
12 ried out.”.

13 **SEC. 5. ENCOURAGING INNOVATION IN CYBERSECURITY.**

14 Section 9 of the Small Business Act (15 U.S.C. 638),
15 as amended by section 4, is further amended by adding
16 at the end the following new subsection:

17 “(uu) ENCOURAGING INNOVATION IN CYBERSECU-
18 RITY.—In carrying out this section, the Administrator
19 shall—

20 “(1) ensure that, in selecting small business
21 concerns to participate in SBIR or STTR programs
22 under this section, Federal agencies engaged in cy-
23 bersecurity research give high priority to small busi-
24 ness concerns that are engaged in cybersecurity re-
25 search and development, for the purpose of devel-

1 oping and implementing technology services and
2 products to strengthen the security of United States
3 Government and private computer systems, includ-
4 ing software, hardware, and portable devices; and

5 “(2) include in the annual report to Congress
6 under subsection (b)(7) a determination of whether
7 the priority described in paragraph (1) is being car-
8 ried out.”.

9 **SEC. 6. COMPLIANCE OF PHASE III AWARDS WITH COM-**
10 **PETITIVE PROCEDURES.**

11 Section 9(r)(4) of the Small Business Act (15 U.S.C.
12 638(r)(4)) is amended by inserting “as direct follow-on
13 awards issued without further competition” after “devel-
14 oped the technology”.

15 **SEC. 7. IMPROVEMENTS TO TECHNICAL AND BUSINESS AS-**
16 **SISTANCE IN THE SBIR AND STTR PRO-**
17 **GRAMS.**

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

20 (1) in the subsection heading, by inserting
21 “AND BUSINESS” after “TECHNICAL”;

22 (2) in paragraph (1)—

23 (A) in the matter preceding subparagraph

24 (A)—

1 (i) by striking “a vendor selected
2 under paragraph (2)” and inserting “1 or
3 more vendors selected under paragraph
4 (2)(A)”;

5 (ii) by inserting “and business” before
6 “assistance services”; and

7 (iii) by inserting “assistance with
8 product sales, intellectual property protec-
9 tions, market research, market validation,
10 and development of regulatory plans and
11 manufacturing plans,” after “tech-
12 nologies,”; and

13 (B) in subparagraph (D), by inserting “,
14 including intellectual property protections” be-
15 fore the period at the end;

16 (3) in paragraph (2)—

17 (A) by striking “Each agency may select a
18 vendor to assist small business concerns to
19 meet” and inserting the following:

20 “(A) IN GENERAL.—Each agency may se-
21 lect 1 or more vendors from which small busi-
22 ness concerns may obtain assistance in meet-
23 ing”; and

24 (B) by adding at the end the following new
25 subparagraph:

1 “(B) SELECTION BY SMALL BUSINESS
2 CONCERN.—A small business concern may, by
3 contract or otherwise, select 1 or more vendors
4 to assist the small business concern in meeting
5 the goals listed in paragraph (1).”; and

6 (4) in paragraph (3)—

7 (A) by inserting “(A)” after “paragraph
8 (2)” each place it appears;

9 (B) in subparagraph (A), by striking
10 “\$5,000 per year” each place it appears and in-
11 serting “\$6,500 per project”;

12 (C) in subparagraph (B)—

13 (i) by striking “\$5,000 per year” each
14 place it appears and inserting “\$35,000
15 per project”; and

16 (ii) in clause (ii), by striking “which
17 shall be in addition to the amount of the
18 recipient’s award” and inserting “which
19 may, as determined appropriate by the
20 head of the agency, be included as part of
21 the recipient’s award or be in addition to
22 the amount of the recipient’s award”;

23 (D) in subparagraph (C)—

24 (i) by inserting “or business” after
25 “technical”;

1 (ii) by striking “the vendor” and in-
2 serting “a vendor”; and

3 (iii) by adding at the end the fol-
4 lowing: “Business-related services aimed at
5 improving the commercialization success of
6 a small business concern may be obtained
7 from an entity, such as a public or private
8 organization or an agency of or other enti-
9 ty established or funded by a State that fa-
10 cilitates or accelerates the commercializa-
11 tion of technologies or assists in the cre-
12 ation and growth of private enterprises
13 that are commercializing technology.”;

14 (E) in subparagraph (D)—

15 (i) by inserting “or business” after
16 “technical” each place it appears; and

17 (ii) in clause (i), by striking “the ven-
18 dor” and inserting “1 or more vendors”;

19 and

20 (F) by adding at the end the following new
21 subparagraph:

22 “(E) MULTIPLE AWARD RECIPIENTS.—The
23 Administrator shall establish a limit on the
24 amount of technical and business assistance
25 services that may be received or purchased

1 under subparagraph (B) by a small business
2 concern that has received multiple Phase II
3 SBIR or STTR awards for a fiscal year.”.

4 **SEC. 8. PROCUREMENT CENTER REPRESENTATIVES AND**
5 **OTHER ACQUISITION PERSONNEL IN THE**
6 **SBIR AND STTR PROGRAMS.**

7 (a) DEFINITION OF SENIOR PROCUREMENT EXECU-
8 TIVE.—Section 9(e) of the Small Business Act (15 U.S.C.
9 638(e)) is amended—

10 (1) in paragraph (12)(B), by striking “and” at
11 the end;

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

14 (3) by adding at the end the following new
15 paragraph:

16 “(14) the term ‘senior procurement executive’
17 means an official designated under section 1702(c)
18 of title 41, United States Code, as the senior pro-
19 curement executive of a Federal agency participating
20 in a SBIR or STTR program.”.

21 (b) INCLUSION OF SENIOR PROCUREMENT EXECU-
22 TIVES IN SBIR AND STTR.—

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

1 (A) in paragraph (8), by striking “and” at
2 the end;

3 (B) in paragraph (9), by striking the pe-
4 riod at the end and inserting “; and”; and

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

7 “(10) to coordinate, where appropriate, with the
8 senior procurement executive of the relevant Federal
9 agency to assist small business concerns partici-
10 pating in a SBIR or STTR program with commer-
11 cializing research developed under such a program
12 before such small business concern is awarded a con-
13 tract from such Federal agency.”.

14 (2) TECHNICAL AMENDMENT.—Section 9(b)(3)
15 of the Small Business Act (15 U.S.C. 638(b)(3)) is
16 amended by striking “and” at the end.

17 (c) MODIFICATIONS RELATING TO PROCUREMENT
18 CENTER REPRESENTATIVES AND OTHER ACQUISITION
19 PERSONNEL.—

20 (1) SBIR AMENDMENT.—Section 9(j) of the
21 Small Business Act (15 U.S.C. 638(j)) is amended
22 by adding at the end the following new paragraph:

23 “(4) MODIFICATIONS RELATING TO PROCURE-
24 MENT CENTER REPRESENTATIVES.—Upon the en-
25 actment of this paragraph, the Administrator shall

1 modify the policy directives issued pursuant to this
2 subsection to require procurement center representa-
3 tives (as described in section 15(l)) to coordinate
4 with the appropriate contracting officer or SBIR
5 program officer, and the appropriate Director of
6 Small and Disadvantaged Business Utilization estab-
7 lished pursuant to section 15(k) for the agency let-
8 ting the contract, to assist small business concerns
9 participating in the SBIR program, particularly in
10 Phase III. The procurement center representatives
11 shall coordinate with the appropriate contracting of-
12 ficer and the appropriate Director of the Office of
13 Small and Disadvantaged Business Utilization estab-
14 lished pursuant to section 15(k) for the agency let-
15 ting the contract.”.

16 (2) STTR AMENDMENT.—Section 9(p)(2) of
17 the Small Business Act (15 U.S.C. 638(p)(2)) is
18 amended—

19 (A) in subparagraph (E)(ii), by striking
20 “and” at the end;

21 (B) in subparagraph (F), by striking the
22 period at the end and inserting a semicolon;
23 and

24 (C) by adding at the end the following new
25 subparagraph:

1 “(G) procedures to ensure that procure-
2 ment center representatives (as described in
3 section 15(l))—

4 “(i) coordinate with the appropriate
5 contracting officer or STTR program offi-
6 cer, and the appropriate Director of Small
7 and Disadvantaged Business Utilization
8 established pursuant to section 15(k) for
9 the agency letting the contract, to assist
10 small business concerns participating in
11 the STTR program, particularly in Phase
12 III; and

13 “(ii) coordinate with the appropriate
14 contracting officer and the appropriate Di-
15 rector of the Office of Small and Disadvan-
16 taged Business Utilization established pur-
17 suant to section 15(k) for the Federal
18 agency letting the contract in providing the
19 assistance described in clause (i); and”.

20 (d) AMENDMENT TO DUTIES OF PROCUREMENT
21 CENTER REPRESENTATIVES.—Section 15(l)(2) of the
22 Small Business Act (15 U.S.C. 644(l)(2)) is amended—

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

1 (2) by redesignating subparagraph (J) as sub-
2 paragraph (L); and

3 (3) by inserting after subparagraph (I) the fol-
4 lowing new subparagraphs:

5 “(J) coordinate with the appropriate con-
6 tracting officer or SBIR or STTR program offi-
7 cer, and the appropriate Director of Small and
8 Disadvantaged Business Utilization established
9 pursuant to section 15(k) for the agency letting
10 the contract, to assist small business concerns
11 participating in a SBIR or STTR program
12 under section 9 with Phase III;

13 “(K) coordinate with the appropriate con-
14 tracting officer and the appropriate Director of
15 the Office of Small and Disadvantaged Busi-
16 ness Utilization established pursuant to sub-
17 section (k) for the agency letting the contract;
18 and”.

19 (e) AMENDMENT TO THE DUTIES OF THE DIRECTOR
20 OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION
21 FOR FEDERAL AGENCIES.—Section 15(k) of the Small
22 Business Act (15 U.S.C. 644(k)) is amended—

23 (1) in paragraph (19), by striking “and” at the
24 end;

1 (2) in paragraph (20), by striking the period at
2 the end and inserting a semicolon; and

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

5 “(21) shall coordinate with the appropriate con-
6 tracting officer of SBIR or STTR program officer to
7 assist small business concerns participating in a
8 SBIR or STTR program under section 9 with re-
9 searching applicable solicitations for the award of a
10 Federal contract (particularly with the Federal
11 agency that has a funding agreement (as defined
12 under section 9) with the concern) to market the re-
13 search developed by such concern under such SBIR
14 or STTR program; and

15 “(22) shall provide technical assistance to small
16 business concerns participating in a SBIR or STTR
17 program under section 9 to submit a bid for an
18 award of a Federal contract, including coordination
19 with procurement center representatives and the ap-
20 propriate senior procurement executive for the agen-
21 cy letting the contract.”.

22 **SEC. 9. INCREASED OUTREACH REQUIREMENTS.**

23 (a) IN GENERAL.—

24 (1) SBIR AMENDMENT.—Section 9(j) of the
25 Small Business Act (15 U.S.C. 638(j)), as amended

1 by section 8, is further amended by adding at the
2 end the following new paragraph:

3 “(5) INCREASED OUTREACH REQUIREMENTS.—
4 Upon the enactment of this paragraph, the Adminis-
5 trator shall modify the policy directives issued pur-
6 suant to this subsection to require outreach efforts
7 to increase the participation in technological innova-
8 tion under the SBIR programs among individuals
9 conducting research at minority institutions (as de-
10 fined in section 365(3) of the Higher Education Act
11 of 1965) and Hispanic-serving institutions (as de-
12 fined in section 502(a)(5) of such Act).”.

13 (2) STTR AMENDMENT.—Section 9(p)(2) of
14 the Small Business Act (15 U.S.C. 638(p)(2)), as
15 amended by section 8, is further amended by adding
16 at the end the following new subparagraph:

17 “(H) procedures for outreach efforts to in-
18 crease the participation in technological innova-
19 tion under the SBIR programs among individ-
20 uals conducting research at minority institu-
21 tions (as defined in section 365(3) of the High-
22 er Education Act of 1965) and Hispanic-serving
23 institutions (as defined in section 502(a)(5) of
24 such Act).”.

1 (b) FUNDING FOR OUTREACH.—Section 9(mm)(1) of
2 the Small Business Act (15 U.S.C. 638(mm)(1)) is
3 amended—

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

6 (2) in subparagraph (J), by striking the period
7 at the end and inserting a semicolon; and

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

10 “(K) the outreach efforts described under
11 subsections (j)(4) and (p)(2)(G); and”.

12 **SEC. 10. ANNUAL MEETING.**

13 (a) IN GENERAL.—Section 9 of the Small Business
14 Act (15 U.S.C. 638), as amended by section 5, is further
15 amended by adding at the end the following new sub-
16 section:

17 “(vv) ANNUAL MEETING.—

18 “(1) IN GENERAL.—The head of each Federal
19 agency required to have a program under this sec-
20 tion (or a designee) and the Administrator (or a des-
21 ignee) shall meet annually to discuss methods—

22 “(A) to improve the collection of data
23 under this section;

24 “(B) to improve the reporting of data to
25 the Administrator under this section;

1 “(C) to make the application processes for
2 programs under this section more efficient; and

3 “(D) to increase participation in the pro-
4 grams established under this section.

5 “(2) REPORT.—Not later than 60 days after
6 the date on which an annual meeting required under
7 paragraph (1) is held, the Administrator shall sub-
8 mit to the Committee on Small Business and Entre-
9 preneurship of the Senate and the Committee on
10 Small Business and the Committee on Science,
11 Space, and Technology of the House of Representa-
12 tives, a report on the findings of such meeting and
13 recommendations on how to implement changes to
14 programs under this section.”.

15 (b) FUNDING FOR ANNUAL MEETING.—Section
16 9(mm)(1) of the Small Business Act (15 U.S.C.
17 638(mm)(1)) as amended by section 9, is further amended
18 by adding at the end the following new subparagraph:

19 “(L) the annual meeting required under
20 subsection (vv).”.

21 **SEC. 11. ESTABLISHING THE CIVILIAN AGENCY COMMER-**
22 **CIALIZATION READINESS PROGRAM.**

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

1 (1) by amending the subsection heading to read
2 as follows: “CIVILIAN AGENCY COMMERCIALIZATION
3 READINESS PROGRAM”;

4 (2) in paragraph (1), by inserting “to establish
5 a Civilian Agency Commercialization Readiness Pro-
6 gram for civilian agencies” after “the covered Fed-
7 eral agency”;

8 (3) in paragraph (2)(A)—

9 (A) by striking “establish a pilot program”
10 and inserting “establish a Civilian Agency Com-
11 mercialization Readiness Program under this
12 subsection”; and

13 (B) by striking “the pilot program” and
14 inserting “such Civilian Agency Commercializa-
15 tion Readiness Program”;

16 (4) in paragraphs (3) and (4), by striking “a
17 pilot program” each place such term appears and in-
18 serting “a Civilian Commercialization Readiness
19 Program”;

20 (5) in paragraph (6), by striking “the pilot pro-
21 gram” and inserting “a Civilian Agency Commer-
22 cialization Readiness Program”;

23 (6) by striking paragraph (7) and redesignating
24 paragraph (8) as paragraph (7); and

1 (7) in paragraph (7) (as so redesignated), by
2 amending subparagraph (B) to read as follows:

3 “(B) the term ‘Civilian Agency Commer-
4 cialization Readiness Program’ means each pro-
5 gram established under paragraph (1).”.

6 **SEC. 12. COMMERCIALIZATION ASSISTANCE PILOT PRO-**
7 **GRAMS.**

8 Section 9 of the Small Business Act (15 U.S.C. 638),
9 as amended by section 10, is further amended by adding
10 at the end the following new subsection:

11 “(ww) COMMERCIALIZATION ASSISTANCE PILOT
12 PROGRAMS.—

13 “(1) PILOT PROGRAMS IMPLEMENTED.—

14 “(A) IN GENERAL.—Except as provided in
15 subparagraph (B), not later than one year after
16 the date of the enactment of this subsection, a
17 covered agency shall implement a commer-
18 cialization assistance pilot program, under
19 which an eligible entity may receive a subse-
20 quent Phase II SBIR award.

21 “(B) EXCEPTION.—If the Administrator
22 determines that a covered agency has a pro-
23 gram that is sufficiently similar to the commer-
24 cialization assistance pilot program established
25 under this subsection, such covered agency shall

1 not be required to implement a commercializa-
2 tion assistance pilot program under this sub-
3 section.

4 “(2) PERCENT OF AGENCY FUNDS.—The head
5 of each covered agency may allocate not more than
6 5 percent of the funds allocated to the SBIR pro-
7 gram of the covered agency for the purpose of mak-
8 ing a subsequent Phase II SBIR award under the
9 commercialization assistance pilot program.

10 “(3) TERMINATION.—A commercialization as-
11 sistance pilot program established under this sub-
12 section shall terminate on September 30, 2022.

13 “(4) APPLICATION.—To be selected to receive a
14 subsequent Phase II SBIR award under a commer-
15 cialization assistance pilot program, an eligible enti-
16 ty shall submit to the covered agency implementing
17 such pilot program an application at such time, in
18 such manner, and containing such information as
19 the covered agency may require, including—

20 “(A) an updated Phase II commercializa-
21 tion plan; and

22 “(B) the source and amount of the match-
23 ing funding required under paragraph (5).

24 “(5) MATCHING FUNDING.—

1 “(A) IN GENERAL.—The Administrator
2 shall require, as a condition of any subsequent
3 Phase II SBIR award made to an eligible entity
4 under this subsection, that a matching amount
5 (excluding any fees collected by the eligible enti-
6 ty receiving such award) equal to the amount of
7 such award be provided from an eligible third-
8 party investor.

9 “(B) INELIGIBLE SOURCES.—An eligible
10 entity may not use funding from ineligible
11 sources to meet the matching requirement of
12 subparagraph (A).

13 “(6) AWARD.—A subsequent Phase II SBIR
14 award made to an eligible entity under this sub-
15 section—

16 “(A) may not exceed the limitation de-
17 scribed under subsection (aa)(1); and

18 “(B) shall be disbursed during Phase II.

19 “(7) USE OF FUNDS.—The funds awarded to
20 an eligible entity under this subsection may only be
21 used for research and development activities that
22 build on eligible entity’s Phase II program and en-
23 sure the research funded under such Phase II is
24 rapidly progressing towards commercialization.

1 “(8) SELECTION.—In selecting eligible entities
2 to participate in a commercialization assistance pilot
3 program under this subsection, the head of a covered
4 agency shall consider—

5 “(A) the extent to which such award could
6 aid the eligible entity in commercializing the re-
7 search funded under the eligible entity’s Phase
8 II program;

9 “(B) whether the updated Phase II com-
10 mercialization plan submitted under paragraph
11 (4) provides a sound approach for establishing
12 technical feasibility that could lead to commer-
13 cialization of such research;

14 “(C) whether the proposed activities to be
15 conducted under such updated Phase II com-
16 mercialization plan further improve the likeli-
17 hood that such research will provide societal
18 benefits;

19 “(D) whether the small business concern
20 has progressed satisfactorily in Phase II to jus-
21 tify receipt of a subsequent Phase II SBIR
22 award;

23 “(E) the expectations of the eligible third-
24 party investor that provides matching funding
25 under paragraph (5); and

1 “(F) the likelihood that the proposed ac-
2 tivities to be conducted under such updated
3 Phase II commercialization plan using matching
4 funding provided by such eligible third-party in-
5 vestor will lead to commercial and societal ben-
6 efit.

7 “(9) EVALUATION REPORT.—Not later than 3
8 years after the date of the enactment of this sub-
9 section, the Comptroller General of the United
10 States shall submit to the Committee on Science,
11 Space, and Technology and the Committee on Small
12 Business of the House of Representatives, and the
13 Committee on Small Business and Entrepreneurship
14 of the Senate, a report including—

15 “(A) a summary of the activities of com-
16 mercialization assistance pilot programs carried
17 out under this subsection;

18 “(B) a detailed compilation of results
19 achieved by such commercialization assistance
20 pilot programs, including the number of eligible
21 entities that received awards under such pro-
22 grams;

23 “(C) the rate at which each eligible entity
24 that received a subsequent Phase II SBIR

1 award under this subsection commercialized re-
2 search of the recipient;

3 “(D) the growth in employment and rev-
4 enue of eligible entities that is attributable to
5 participation in a commercialization assistance
6 pilot program;

7 “(E) a comparison of commercialization
8 success of eligible entities participating in a
9 commercialization assistance pilot program with
10 recipients of an additional Phase II SBIR
11 award under subsection (ff);

12 “(F) demographic information, such as
13 ethnicity and geographic location, of eligible en-
14 tities participating in a commercialization as-
15 sistance pilot program;

16 “(G) an accounting of the funds used at
17 each covered agency that implements a commer-
18 cialization assistance pilot program under this
19 subsection;

20 “(H) the amount of matching funding pro-
21 vided by eligible third-party investors, set forth
22 separately by source of funding;

23 “(I) an analysis of the effectiveness of the
24 commercialization assistance pilot program im-
25 plemented by each covered agency; and

1 “(J) recommendations for improvements to
2 the commercialization assistance pilot program.

3 “(10) DEFINITIONS.—For purposes of this sub-
4 section:

5 “(A) COVERED AGENCY.—The term ‘cov-
6 ered agency’ means a Federal agency required
7 to have an SBIR program.

8 “(B) ELIGIBLE ENTITY.—The term ‘eligi-
9 ble entity’ means a small business concern that
10 has received a Phase II award under an SBIR
11 program and an additional Phase II SBIR
12 award under subsection (ff) from the covered
13 agency to which such small business concern is
14 applying for a subsequent Phase II SBIR
15 award.

16 “(C) ELIGIBLE THIRD-PARTY INVESTOR.—
17 The term ‘eligible third-party investor’ means a
18 small business concern other than an eligible
19 entity, a venture capital firm, an individual in-
20 vestor, a non-SBIR Federal, State or local gov-
21 ernment, or any combination thereof.

22 “(D) INELIGIBLE SOURCES.—The term
23 ‘ineligible sources’ means the following:

24 “(i) The eligible entity’s internal re-
25 search and development funds.

1 “(ii) Funding in forms other than
2 cash, such as in-kind or other intangible
3 assets.

4 “(iii) Funding from the owners of the
5 eligible entity, or the family members or
6 affiliates of such owners.

7 “(iv) Funding attained through loans
8 or other forms of debt obligations.

9 “(E) SUBSEQUENT PHASE II SBIR
10 AWARD.—The term ‘subsequent Phase II SBIR
11 award’ means an award granted to an eligible
12 entity under this subsection to carry out further
13 commercialization activities for research con-
14 ducted pursuant to an SBIR program.”.

15 **SEC. 13. PHASE 0 PROOF OF CONCEPT PARTNERSHIP PILOT**
16 **PROGRAM.**

17 (a) INCLUSION OF ADDITIONAL AGENCIES IN PILOT
18 PROGRAM.—Section 9(jj) of the Small Business Act (15
19 U.S.C. 638(jj) is amended—

20 (1) in paragraph (1)—

21 (A) by striking “The Director of the Na-
22 tional Institutes of Health” and inserting
23 “Each covered agency head”; and

24 (B) by striking “the Director” and insert-
25 ing “each covered agency head”;

1 (2) by amending subparagraph (A) of para-
2 graph (2) to read as follows:

3 “(A) the term ‘covered agency head’ means the
4 Director of the National Institutes of Health, the
5 Director of the National Science Foundation, the
6 Administrator of the National Aeronautics and
7 Space Administration and the Secretary of En-
8 ergy;”;

9 (3) in paragraph (4)—

10 (A) in subparagraph (A), by striking “The
11 Director” and inserting “Each covered agency
12 head”; and

13 (B) in subparagraph (B), by striking “the
14 Director shall consider, in addition to any other
15 criteria the Director” and inserting “each cov-
16 ered agency head shall consider, in addition to
17 any other criteria the appropriate covered agen-
18 cy head”; and

19 (4) in paragraph (6), by striking “The Direc-
20 tor” and inserting “Each covered agency head”.

21 (b) EXTENSION OF PILOT PROGRAM AUTHORITY.—
22 Section 9(jj)(7) of the Small Business Act (15 U.S.C.
23 638(jj)(7)) is amended by striking “fiscal year 2017” and
24 inserting “fiscal year 2022”.

1 **SEC. 14. REPORTING REQUIREMENTS.**

2 (a) ANNUAL REPORT TO CONGRESS.—Section
3 9(b)(7) of the Small Business Act (15 U.S.C. 638(b)(7))
4 is amended by striking “to report not less than annually”
5 and inserting “to submit a report not later than December
6 31 of each year”.

7 (b) ANNUAL REPORT TO SBA AND THE OFFICE OF
8 SCIENCE AND TECHNOLOGY POLICY.—Section 9(g)(9) of
9 the Small Business Act (15 U.S.C. 638(g)(9)) is amend-
10 ed—

11 (1) by striking “make an annual report” and
12 inserting “not later than March 30 of each year,
13 submit a report”; and

14 (2) by striking “and the Office of Science and
15 Technology Policy” and inserting “, the Office of
16 Science and Technology Policy, the Committee on
17 Science, Space, and Technology and the Committee
18 on Small Business of the House of Representatives,
19 and the Committee on Small Business and Entrepre-
20 neurship of the Senate”.

21 **SEC. 15. SBIR PHASE FLEXIBILITY.**

22 Section 9(cc) of the Small Business Act (15 U.S.C.
23 638(cc)) is amended by striking “During fiscal years” and
24 all that follows through “may each provide” and inserting
25 “During fiscal years 2018 through 2022, all agencies par-
26 ticipating in the SBIR program may provide”.

1 **SEC. 16. EXTENSION OF DEADLINE FOR ASSISTANCE FOR**
2 **ADMINISTRATIVE, OVERSIGHT, AND CON-**
3 **TRACT PROCESSING COSTS.**

4 Section 9(mm)(1) of the Small Business Act (15
5 U.S.C. 638(mm)(1)), as amended by this Act, is further
6 amended by striking “September 30, 2017” and inserting
7 “September 30, 2022”.

Passed the House of Representatives October 11,
2017.

Attest:

KAREN L. HAAS,

Clerk.