

117TH CONGRESS
1ST SESSION

H. R. 4033

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 2021

Mr. BAIRD (for himself and Ms. STEVENS) 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 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,*

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Small Business Innovation Research and Small Business
6 Technology Transfer Improvements Act of 2021.”

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 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. Increased outreach requirements.
- Sec. 8. Annual meeting.
- Sec. 9. Establishing the Civilian Agency Commercialization Readiness Program.
- Sec. 10. Phase 0 Proof of Concept Partnership Program.
- Sec. 11. Reporting requirements.
- Sec. 12. SBIR phase flexibility.
- Sec. 13. Amendments to administrative fee assistance.
- Sec. 14. Amendments to technical and business assistance.
- Sec. 15. Extension of commercialization extension pilot.
- Sec. 16. Short-form application.

3 **SEC. 2. REQUIRING INSERTION INCENTIVES.**

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

7 **SEC. 3. ADDITIONAL SBIR AND STTR TECHNOLOGY INSER-**
 8 **TION REPORTING REQUIREMENT.**

9 Section 9(y)(6) of the Small Business Act (15 U.S.C.
 10 638(y)(6)) is amended—

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

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

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

17 “(D) not later than 120 days after the
 18 date of the enactment of this subparagraph,

and not later than December 31 of each year thereafter, submit to the Committee on Science, Space, and Technology and the Committee on Small Business of the House of Representatives, and to the Committee on Small Business and Entrepreneurship of the Senate, a report describing the goals set under subparagraph (A) and the incentives used or created under subparagraph (B).”.

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

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

“(vv) ENCOURAGING INNOVATION IN UNITED STATES MANUFACTURING.—In carrying out this section, the Administrator shall—

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

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

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

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

9 “(ww) ENCOURAGING INNOVATION IN CYBERSECU-
10 RITY.—In carrying out this section, the Administrator
11 shall—

12 “(1) ensure that, in selecting small business
13 concerns to participate in SBIR or STTR programs
14 under this section, Federal agencies engaged in cy-
15 bersecurity research give high priority to small busi-
16 ness concerns that are engaged in cybersecurity re-
17 search and development, for the purpose of devel-
18 oping and implementing technology services and
19 products to strengthen the security of United States
20 Government and private computer systems, includ-
21 ing software, hardware, and portable devices; and

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

1 **SEC. 6. COMPLIANCE OF PHASE III AWARDS WITH COM-**
2 **PETITIVE PROCEDURES.**

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

7 **SEC. 7. INCREASED OUTREACH REQUIREMENTS.**

8 (a) IN GENERAL.—

9 (1) SBIR AMENDMENT.—Section 9(j) of the
10 Small Business Act (15 U.S.C. 638(j)), as amended
11 by section 8, is further amended by adding at the
12 end the following new paragraph:

13 “(5) INCREASED OUTREACH REQUIREMENTS.—
14 Upon the enactment of this paragraph, the Adminis-
15 trator shall modify the policy directives issued pur-
16 suant to this subsection to require outreach efforts
17 to increase the participation in technological innova-
18 tion under the SBIR programs among individuals
19 conducting research at minority institutions (as de-
20 fined in section 365(3) of the Higher Education Act
21 of 1965) and Hispanic-serving institutions (as de-
22 fined in section 502(a)(5) of such Act).”.

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

“(H) procedures for outreach efforts to increase the participation in technological innovation under the SBIR programs among individuals conducting research at minority institutions (as defined in section 365(3) of the Higher Education Act of 1965) and Hispanic-serving institutions (as defined in section 502(a)(5) of such Act).”.

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

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

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

(3) by adding at the end the following new subparagraph:

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

SEC. 8. ANNUAL MEETING.

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

“(xx) ANNUAL MEETING.—

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

5 “(A) to improve the collection of data
6 under this section;

7 “(B) to improve the reporting of data to
8 the Administrator under this section;

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

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

13 “(2) REPORT.—Not later than 60 days after
14 the date on which an annual meeting required under
15 paragraph (1) is held, the Administrator shall sub-
16 mit to the Committee on Small Business and Entre-
17 preneurship of the Senate and the Committee on
18 Small Business and the Committee on Science,
19 Space, and Technology of the House of Representa-
20 tives, a report on the findings of such meeting and
21 recommendations on how to implement changes to
22 programs under this section.”.

23 (b) FUNDING FOR ANNUAL MEETING.—Section
24 9(mm)(1) of the Small Business Act (15 U.S.C.

1 638(mm)(1)) as amended by section 9, is further amended
 2 by adding at the end the following new subparagraph:

3 “(M) the annual meeting required under
 4 subsection (xx).”.

5 **SEC. 9. ESTABLISHING THE CIVILIAN AGENCY COMMER-**
 6 **CIALIZATION READINESS PROGRAM.**

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

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

12 (2) in paragraph (1), by inserting “to establish
 13 a Civilian Agency Commercialization Readiness Pro-
 14 gram for civilian agencies” after “the covered Fed-
 15 eral agency”;

16 (3) in paragraph (2)(A)—

17 (A) by striking “establish a pilot program”
 18 and inserting “establish a Civilian Agency Com-
 19 mercialization Readiness Program under this
 20 subsection”; and

21 (B) by striking “the pilot program” and
 22 inserting “such Civilian Agency Commercializa-
 23 tion Readiness Program”;

24 (4) in paragraphs (3) and (4), by striking “a
 25 pilot program” each place such term appears and in-

1 serting “a Civilian Agency Commercialization Readiness Program”;

3 (5) in paragraph (6), by striking “the pilot program” and inserting “a Civilian Agency Commercialization Readiness Program”;

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

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

10 “(B) the term ‘Civilian Agency Commercialization Readiness Program’ means each program established under paragraph (1).”.

13 **SEC. 10. PHASE 0 PROOF OF CONCEPT PARTNERSHIP PROGRAM.**

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

17 (1) in the subsection heading, strike “PILOT”;

18 (2) in paragraph (1)—

19 (A) by striking “The Director of the National Institutes of Health” and inserting “Each covered agency head”;

22 (B) by striking “pilot”; and

23 (C) by striking “the Director” and inserting “each covered agency head”;

24 (3) in paragraph (2)—

1 (A) in subparagraph (C), by striking “in
2 the National Institutes of Health’s STTR pro-
3 gram” and inserting “in the STTR program of
4 any agency described in section (n)”; and

5 (B) by adding at the end the following:

6 “(D) the term ‘covered agency head’
7 means the Director of the National Institutes of
8 Health, the Director of the National Science
9 Foundation, the Administrator of the National
10 Aeronautics and Space Administration and the
11 Secretary of Energy;

12 “(E) the term ‘Phase 0 program’ refers to
13 the Proof of Concept Partnerships program;
14 and

15 “(F) the terms ‘qualifying institution’ and
16 ‘institution’ means a university or other re-
17 search institution that participates in the STTR
18 program of the National Institutes of Health,
19 National Science Foundation, National Aero-
20 nautics and Atmospheric Administration, De-
21 partment of Energy, or Department of De-
22 fense.”;

23 (4) in paragraph (3) by adding “entrepreneurial
24 training” after “market research”;

25 (5) in paragraph (4)—

1 (A) in subparagraph (A), by striking “The
2 Director” and inserting “Each covered agency
3 head”; and

4 (B) in subparagraph (B), by striking “In
5 determining” and all that follows through
6 “qualifying institutions—” and inserting the
7 following: “In determining which qualifying in-
8 stitutions receive Phase 0 Program grants, each
9 covered agency head shall consider, in addition
10 to any other criteria such covered agency head
11 determines necessary, the extent to which the
12 qualifying institutions—”;

13 (6) in paragraph (6), in the matter preceding
14 (A), by striking “The Director” and inserting “Each
15 covered agency head” and by striking “pilot pro-
16 gram” and inserting “Phase 0 program”; and
17 (7) by striking paragraph (7).

18 **SEC. 11. REPORTING REQUIREMENTS.**

19 (a) ANNUAL REPORT TO CONGRESS.—Section
20 9(b)(7) of the Small Business Act (15 U.S.C. 638(b)(7))
21 is amended by striking “to report not less than annually”
22 and inserting “to submit a report not later than December
23 31 of each year”.

24 (b) ANNUAL REPORT TO SBA AND THE OFFICE OF
25 SCIENCE AND TECHNOLOGY POLICY.—Section 9(g)(9) of

1 the Small Business Act (15 U.S.C. 638(g)(9)) is amend-
2 ed—

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

6 (2) by striking “and the Office of Science and
7 Technology Policy” and inserting “, the Office of
8 Science and Technology Policy, the Committee on
9 Science, Space, and Technology and the Committee
10 on Small Business of the House of Representatives,
11 and the Committee on Small Business and Entrepre-
12 neurship of the Senate”.

13 **SEC. 12. SBIR PHASE FLEXIBILITY.**

14 Section 9(cc) of the Small Business Act (15 U.S.C.
15 638(cc)) is amended by striking “During fiscal years” and
16 all that follows through “may each provide” and inserting
17 “During fiscal years 2022 through 2026 all agencies par-
18 ticipating in the SBIR program may provide”.

19 **SEC. 13. AMENDMENTS TO ADMINISTRATIVE FEE ASSIST-**
20 **ANCE.**

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

23 (1) in paragraph (1), by striking “and until
24 September 30, 2022”; and

1 (2) in paragraph (2), after “(j)(2)(F)” add
 2 “and (j)(5)” as required under this Act.

3 **SEC. 14. AMENDMENTS TO TECHNICAL AND BUSINESS AS-**
 4 **SISTANCE.**

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

7 (1) in the header, by striking “technical and
 8 business assistance” and inserting “APPLICATION,
 9 TECHNICAL, AND BUSINESS ASSISTANCE”;

10 (2) in paragraph (2), by adding at the end the
 11 following:

12 “(C) GUIDANCE.—The Administrator shall
 13 establish guidelines and metrics for the selec-
 14 tion of vendors for the purposes of this sub-
 15 section, which shall include at a minimum guid-
 16 ance on selecting vendors with demonstrated ex-
 17 perience and success in—

18 “(i) working with small business con-
 19 cerns focused on research and development
 20 of advanced and emerging technologies;

21 “(ii) federal acquisition and procure-
 22 ment processes and regulations; and

23 “(iii) commercializing federally funded
 24 research and development.”; and

25 (3) in paragraph (3)—

1 (A) in subparagraph (C), by adding “sub-
2 ject to the guidance provided by the Adminis-
3 trator under paragraph (2)(C)” after “commer-
4 cializing technology”;

5 (B) in subparagraph (D)—

6 (i) in clause (i), by striking “; or” and
7 inserting a semicolon;

8 (ii) in clause (ii), by striking the pe-
9 riod at the end and inserting “; or”; and

10 (iii) by adding at the end the fol-
11 lowing:

12 “(iii) use the amounts authorized
13 under subparagraph (A) or (B) to increase
14 the amount of an award for carrying out
15 additional research or development.”;

16 (C) by inserting after paragraph (3) the
17 following new paragraph:

18 “(4) APPLICATION ASSISTANCE.—

19 “(A) IN GENERAL.—Each Federal agency
20 required by this section to conduct an SBIR
21 program or STTR program may establish an
22 Application Assistance Program to provide
23 small business concerns applying to SBIR or
24 STTR with application assistance.

1 “(B) PURPOSE.—The purpose of this pro-
2 gram is to assist small businesses to better un-
3 derstand the technical aspects of the application
4 process and to develop a more competitive ap-
5 plication.

6 “(C) REQUIREMENTS.—Each agency under
7 subparagraph (A) may provide the assistance
8 under this paragraph or enter into an agree-
9 ment with 1 or more vendors selected under
10 subparagraph (G).

11 “(D) ELIGIBILITY.—To be eligible for as-
12 sistance under this program a small business
13 concern must—

14 “(i) be a first-time applicant for an
15 SBIR or STTR award from that agency
16 and have not been a previous recipient of
17 an SBIR or STTR award from any other
18 agency; and

19 “(ii) be selected to proceed in the ap-
20 plication process after the short-form ap-
21 plication requirements under section
22 9(g)(2) have been completed.

23 “(E) BROADENING PARTICIPATION.—The
24 Administrator shall encourage businesses de-
25 scribed under section (j)(2)(F) to apply for as-

1 sistance under the program established in this
2 paragraph.

3 “(F) ACTIVITIES.—The program shall pro-
4 vide Phase 1 proposal preparation, review, and
5 registration assistance to small business con-
6 cerns selected to proceed in the application
7 process after the short-form application require-
8 ments under section 9(g)(2) have been com-
9 pleted.

10 “(G) VENDOR SELECTION.—If the agency
11 selects 1 or more vendors to provide the assist-
12 ance under this program, it shall be a competi-
13 tive, merit-based process for a term not to ex-
14 ceed 5 years and the vendor shall have dem-
15 onstrated expertise in writing successful Feder-
16 ally funded technology development proposals.

17 “(H) PAYMENT FOR SERVICES.—There
18 shall be no fee assessed to small business con-
19 cerns receiving services under this program.

20 “(I) FUNDING.—Each Federal agency that
21 establishes an Application Assistance program
22 may use funds allocated under section 9(mm).”;
23 and

24 (D) by redesignating paragraph (4) as
25 paragraph (5).

1 **SEC. 15. EXTENSION OF COMMERCIALIZATION EXTENSION**
2 **PILOT.**

3 Section 9(uu)(3) of the Small Business Act (15
4 U.S.C. 638(uu)) is amended by striking “2022” and in-
5 serting “2026”.

6 **SEC. 16. SHORT-FORM APPLICATION.**

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

9 (1) by striking “Each Federal agency” and in-
10 serting “(1) Each Federal agency”;

11 (2) by redesignating paragraphs (1) through
12 (12) as subparagraphs (A) through (L), respectively;

13 (3) in subparagraph (C), as so redesignated, by
14 redesignating subparagraphs (A) and (B) as clauses
15 (i) and (ii), respectively;

16 (4) in subparagraph (D), as so redesignated—

17 (A) by redesignating subparagraphs (A)
18 and (B) as clauses (i) and (ii), respectively;

19 (B) in clause (ii), as so redesignated, by
20 redesignating clauses (i) and (ii) as subclauses
21 (I) and (II), respectively; and

22 (C) in subclause (II), as so redesignated,
23 by striking “clause (i)” and inserting “sub-
24 clause (I)”;

25 (5) in subparagraph (H), as so redesignated—

1 (A) by redesignating subparagraphs (A)
 2 through (C) as clauses (i) through (iii), respec-
 3 tively;

4 (B) in clause (i), as so redesignated, by re-
 5 designating clauses (i) through (vi) as sub-
 6 clauses (I) through (VI), respectively;

7 (C) in subclause (I), as so redesignated, by
 8 redesignating subclauses (I) and (II) as items
 9 (aa) and (bb), respectively; and

10 (D) in subclause (II), as so redesignated,
 11 by redesignating subclauses (I) and (II) as
 12 items (aa) and (bb), respectively; and

13 (6) by adding at the end a new paragraph (2):

14 “(2) To the extent practicable prior to a more
 15 extensive application, implement a short-form appli-
 16 cation to be received and evaluated, which shall in-
 17 clude at a minimum a description of—

18 “(A) the technology innovation;

19 “(B) the technical objectives and chal-
 20 lenges;

21 “(C) the market opportunity; and

22 “(D) the small business concern and key
 23 employees.”.

○