

1 this Act, the Administrator shall utilize the full-
2 time equivalents method.”.

3 **TITLE XV—SMALL BUSINESS IN-**
4 **NOVATION RESEARCH AND**
5 **SMALL BUSINESS TECH-**
6 **NOLOGY TRANSFER PRO-**
7 **GRAMS**

8 **SEC. 1501. DEFINITIONS.**

9 In this title, the terms “extramural budget”, “Small
10 Business Innovation Research Program”, “SBIR”,
11 “Small Business Technology Transfer Program”, and
12 “STTR” have the same meanings as in section 9 of the
13 Small Business Act (15 U.S.C. 638).

14 **SEC. 1502. CONGRESSIONAL FINDINGS AND POLICY.**

15 (a) FINDINGS.—Congress finds that—

16 (1) Federal agency practices excluding small
17 business concerns from Federal research and devel-
18 opment efforts have wasted taxpayer funds and sti-
19 fled national competitiveness;

20 (2) according to studies conducted for the Of-
21 fice of Advocacy of the Administration, small busi-
22 ness concerns hold 41 percent of the Nation’s pat-
23 ents, obtain 13 times more patents per employee
24 than large business concerns, and obtain patents

1 which are twice as technologically significant as
2 large business patents; and

3 (3) according to the annual reports of the Na-
4 tional Science Foundation, small business concerns
5 consistently receive less than 5 percent of Federal
6 extramural research and development funding.

7 (b) POLICY.—It is the policy of Congress to promote
8 effectiveness in Federal research and development efforts
9 and remove barriers to participation of small business con-
10 cerns as well as of partnerships between small business
11 concerns and universities or other research institutions in
12 Federal research and development programs by strength-
13 ening the Small Business Innovation Research Program
14 and the Small Business Technology Transfer Program.

15 **Subtitle A—Small Business**
16 **Innovation Leadership**

17 **SEC. 1511. STATUS OF THE SBA OFFICE OF TECHNOLOGY;**
18 **NATIONAL ADVISORY BOARD; TRANSFER**
19 **PLAN.**

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

22 (1) in paragraph (7), by striking “and” at the
23 end;

24 (2) in paragraph (8), by striking the period at
25 the end and inserting “; and”; and

1 (3) by adding at the end the following:

2 “(9) to maintain an Office of Technology to
3 carry its responsibilities under this section, headed
4 by the Assistant Administrator for Technology, who
5 shall be appointed by the President, in consultation
6 with the Committee on Small Business and Entre-
7 preneurship of the Senate and the Committee on
8 Small Business of the House of Representatives;

9 “(10) to submit, as a separate part of the
10 President’s budget, a request for appropriations for
11 staffing for the Office of Technology and informa-
12 tion regarding the performance of this Office, taking
13 into consideration the size of the program and the
14 statutory oversight responsibilities of the Adminis-
15 tration;

16 “(11) to appoint, in consultation with the Com-
17 mittee on Small Business and Entrepreneurship of
18 the Senate and the Committee on Small Business of
19 the House of Representatives, a National Small
20 Business Innovation and Technology Transfer Advi-
21 sory Board, consisting of not fewer than 9 members
22 to advise the Assistant Administrator for Technology
23 on all matters concerning small business innovation
24 and technology transfer;

1 “(12) submit to the Committee on Small Busi-
 2 ness and Entrepreneurship of the Senate and the
 3 Committee on Small Business of the House of Rep-
 4 resentatives not later than November 1 of each year
 5 a National Small Business Innovation and Tech-
 6 nology Transfer Plan for the appropriate fiscal year
 7 containing a forecast of research and development
 8 topics as well as commercialization opportunities in
 9 all participating Federal agencies; and

10 “(13) to annually submit to the Committee on
 11 Small Business and Entrepreneurship of the Senate
 12 and the Committee on Small Business of the House
 13 of Representatives a compilation of agency-specific
 14 and program-wide data concerning the numbers of
 15 Phase I and Phase II awards made generally and
 16 under any pilot program during the previous year.”.

17 **Subtitle B—Fair Access to Federal**
 18 **Innovations Investments**

19 **SEC. 1521. ACCURACY IN FUNDING BASE CALCULATIONS;**
 20 **COMPTROLLER GENERAL’S AUDITS.**

21 Not later than 270 days after the date of enactment
 22 of this Act, and every 3 years thereafter the Comptroller
 23 General of the United States shall—

24 (1) conduct a fiscal and management audit of
 25 the SBIR program and the STTR program to deter-

1 mine whether Federal departments and agencies are
2 complying with the set-aside requirements of this
3 title and the amendments made by this title; and

4 (2) submit a report to the Committee on Small
5 Business and Entrepreneurship of the Senate and
6 the Committee on Small Business of the House of
7 Representatives regarding the audit conducted under
8 paragraph (1).

9 **SEC. 1522. SBIR CAP INCREASE.**

10 Section 9(f)(1) of the Small Business Act (15 U.S.C.
11 638(f)(1)) is amended—

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

14 (2) by striking subparagraph (C) and inserting
15 the following:

16 “(C) not less than—

17 “(i) 3 percent in fiscal year 2007;

18 “(ii) 3.5 percent in fiscal year 2008;

19 “(iii) 4 percent in fiscal year 2009;

20 and

21 “(iv) 4.5 percent in fiscal year 2010;

22 and

23 “(D) not less than 5 percent in fiscal year
24 2011 and each fiscal year thereafter.”

1 **SEC. 1523. STTR CAP INCREASE.**

2 Section 9(n)(1)(B) of the Small Business Act (15
3 U.S.C. 638(n)(1)(B)) is amended—

4 (1) in clause (i), by striking “and” at the end;

5 (2) in clause (ii), by striking “thereafter.” and
6 inserting “through fiscal year 2006; and”; and

7 (3) by adding at the end the following:

8 “(iii) 0.6 percent for fiscal year 2007
9 and each fiscal year thereafter.”.

10 **SEC. 1524. ADJUSTMENTS IN SBIR AND STTR AWARD LEV-**
11 **ELS.**

12 (a) SBIR ADJUSTMENTS.—Section 9(j)(2)(D) of the
13 Small Business Act (15 U.S.C. 638(j)(2)(D)) is amend-
14 ed—

15 (1) by striking “\$100,000” and inserting
16 “\$150,000”; and

17 (2) by striking “\$750,000” and inserting
18 “\$1,250,000”.

19 (b) STTR ADJUSTMENTS.—Section 9(p)(2)(B)(ix) of
20 the Small Business Act (15 U.S.C. 638(p)(2)(B)(ix)) is
21 amended—

22 (1) by striking “\$100,000” and inserting
23 “\$150,000”; and

24 (2) by striking “\$750,000” and inserting
25 “\$1,250,000”.

1 (c) ANNUAL ADJUSTMENTS.—Section 9 of the Small
2 Business Act (15 U.S.C. 638) is amended—

3 (1) in subsection (j)(2)(D), by striking “and an
4 adjustment of such amounts once every 5 years to
5 reflect economic adjustments and programmatic con-
6 siderations” and inserting “and a mandatory annual
7 adjustment of such amounts to reflect economic ad-
8 justments and programmatic considerations”;

9 (2) in subsection (p)(2)(B)(ix), by striking
10 “greater or lesser amounts” and inserting “with a
11 mandatory annual adjustment of such amounts to
12 reflect economic adjustments and programmatic con-
13 siderations, and greater or lesser amounts”.

14 (d) LIMITATION ON CERTAIN AWARDS.—Section 9 of
15 the Small Business Act (15 U.S.C. 638) is amended by
16 adding at the end the following:

17 “(z) LIMITATION ON CERTAIN AWARDS.—No Federal
18 agency shall issue an award under the SBIR program or
19 the STTR program if the size of the award exceeds the
20 award guidelines established under this section by more
21 than 50 percent. Participating agencies shall maintain in-
22 formation on awards exceeding the guidelines, including
23 award amounts and identities of recipients, and shall re-
24 port such information annually to the Administration.

25 “(aa) SUBSEQUENT PHASES.—

1 are owned in majority part by venture capital companies
2 and that satisfy the qualification requirements under sub-
3 section (b). The written determination shall demonstrate
4 that the use of such authority will induce additional ven-
5 ture capital funding of small business innovations, sub-
6 stantially contribute to the mission of the funding agency,
7 or otherwise fulfill the capital needs of small business con-
8 cerns for additional financing.

9 (b) QUALIFICATION REQUIREMENTS.—No United
10 States small business concern which satisfies applicable
11 requirements established by the Administrator concerning
12 small business affiliation shall be excluded from participa-
13 tion in the program authorized by subsection (a) on the
14 ground that such small business concern is owned in ma-
15 jority part by more than 1 United States venture capital
16 company, provided that no single venture capital company
17 owns more than 49 percent of such small business con-
18 cern.

19 (c) REGISTRATION.—Any small business concern that
20 is a venture capital portfolio company qualified for partici-
21 pation in the program authorized by subsection (a) shall
22 register with the Administrator as a Venture Capital
23 SBIR Investment Company. Any such company shall indi-
24 cate such status in any SBIR proposal.

1 (d) DEFINITION OF VENTURE CAPITAL COMPANY.—
2 In this section, the term “venture capital company” means
3 an entity described in clause (i), (v), or (vi) of section
4 121.103(b) of title 13, Code of Federal Regulations (or
5 any corresponding similar regulation or ruling).

6 **Subtitle C—Acquisition of Small**
7 **Business Innovations**

8 **SEC. 1531. NATIONAL SBIR AND STTR TECHNOLOGY INSER-**
9 **TION GOAL; REPORTING REQUIREMENTS.**

10 Section 9 of the Small Business Act (15 U.S.C. 638),
11 as amended by this Act, is amended by adding at the end
12 the following:

13 “(bb) NATIONAL SMALL BUSINESS TECHNOLOGY IN-
14 SERTION GOAL; REPORTING REQUIREMENTS.—

15 “(1) IN GENERAL.—For fiscal year in 2007,
16 and each fiscal year thereafter there is established a
17 governmentwide goal for insertion of SBIR and
18 STTR technologies through Phase III awards of not
19 less than 3 percent of total value of Federal prime
20 contracting dollars for research, development, test-
21 ing, and evaluation, to be met through either prime
22 contracts or subcontracts (in this subsection referred
23 to as the ‘National Small Business Technology In-
24 sertation goal’).

1 “(2) NATIONAL SMALL BUSINESS TECHNOLOGY
2 INSERTION GOAL.—The Administrator shall ensure
3 that the National Small Business Technology Inser-
4 tion goal is negotiated and reported to the public
5 and Congress in accordance with the authorities gov-
6 erning the negotiating and reporting of small busi-
7 ness procurement goals by the Administrator under
8 this Act.

9 “(3) REPORTS.—Each report submitted under
10 paragraph (2) shall include—

11 “(A) the name of the contracting agency;

12 “(B) the identity of the agency or company
13 making the Phase III award;

14 “(C) the identity of the company or indi-
15 vidual receiving the Phase III award, as well as
16 the identity of the agency or prime contractor
17 making the Phase III award; and

18 “(D) the dollar amount of the Phase III
19 award.”.

20 **SEC. 1532. INTELLECTUAL PROPERTY PROTECTIONS FOR**
21 **SMALL BUSINESS INNOVATIONS.**

22 (a) SBIR AND STTR DATA RIGHTS.—Section 9(e)
23 of the Small Business Act (15 U.S.C. 638(e)) is amend-
24 ed—

1 (1) in paragraph (7), by striking “and” at the
2 end;

3 (2) in paragraph (8), by striking the period and
4 inserting “; and”; and

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

6 “(9) ‘data’, in connection with rights in or
7 rights to data—

8 “(A) includes rights in and rights to proto-
9 types, as consistent with paragraph (5)(C);

10 “(B) shall be considered to be a trade se-
11 cret for purposes of any provision of Federal
12 law protecting trade secrets from unauthorized
13 use, disclosure, or reverse engineering;

14 “(C) includes technical data that the SBIR
15 or STTR small business concern has developed
16 at private expense, if such data is used in the
17 development, testing, or evaluation of SBIR or
18 STTR technology; and

19 “(D) shall be subject to data rights protec-
20 tions under this section and the SBIR and
21 STTR Policy Directives in connection with any
22 contract or subcontract developed with Federal
23 funds or intended for use by the Federal gov-
24 ernment, and any mentor-protégé agreements.”.

1 **SEC. 1533. SBIR AND STTR SPECIAL ACQUISITION PREF-**
2 **ERENCE.**

3 (a) CODIFICATION OF REGULATORY PREFERENCE.—
4 Section 9 of the Small Business Act (15 U.S.C. 638), as
5 amended by this Act, is amended by adding at the end
6 the following:

7 “(cc) PHASE III AWARDS.—Congress intends that, to
8 the greatest extent practicable, Federal agencies and Fed-
9 eral prime contractors issue Phase III awards, including
10 sole source awards, to the SBIR and STTR award recipi-
11 ents that developed the technology.”.

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

14 (1) in subsection (j)(2)(C)—

15 (A) by striking “, to the extent prac-
16 ticable,”; and

17 (B) by inserting before the semicolon at
18 the end “, unless the agency establishes on the
19 record that such an award is not practicable”;
20 and

21 (2) in subsection (p)(2)(F)—

22 (A) by striking “, to the extent prac-
23 ticable,”; and

24 (B) by inserting before the period at the
25 end “, unless the agency establishes on the
26 record that such an award is not practicable”.

1 (c) REDUCTION OF WASTE AND DUPLICATION IN
2 FEDERAL TECHNOLOGY CONTRACTING.—Section 9 of the
3 Small Business Act (15 U.S.C. 638), as amended by this
4 Act, is amended by adding at the end the following:

5 “(dd) DUPLICATION OF PRIOR AWARDS.—A Federal
6 agency may not solicit bids or proposals for award of con-
7 tracts on any topic duplicating a SBIR or STTR award
8 previously made by such agency, unless, not later than 30
9 days before the solicitation, the agency submits an ad-
10 vance notice of intent to issue such a solicitation to the
11 Administrator. Such solicitations may be challenged by the
12 Administrator to the head of the agency, or otherwise be
13 challenged in accordance with law. To avoid duplication,
14 before issuing a solicitation, the responsible Federal agen-
15 cy official shall review the Tech-Net database of the Ad-
16 ministration (or any successor database) and document
17 the results of such review in contracting files.”.

18 **SEC. 1534. SBIR AND STTR MENTOR-PROTÉGÉ PROGRAMS.**

19 (a) AUTHORIZATION.—The head of each Federal
20 agency may establish a mentor-protégé program to provide
21 development and commercialization assistance to small
22 business concerns participating in the SBIR program and
23 the STTR program.

1 (b) TYPES OF ASSISTANCE AUTHORIZED.—The fol-
2 lowing types of assistance are authorized for mentor-
3 protégé programs:

4 (1) Assistance with general business develop-
5 ment, business management, commercialization mar-
6 keting, or corporate infrastructure.

7 (2) Testing and evaluation assistance for inser-
8 tion of SBIR and STTR technologies into technical
9 or weapons systems.

10 (3) Commercialization through Federal sub-
11 contracts awarded in accordance with the terms of
12 the special acquisition preference.

13 (4) Payment of progress payments and advance
14 payment for the performance of subcontracts com-
15 mercializing SBIR and STTR technologies developed
16 by the protégé firm.

17 (5) Loans to a protégé firm towards develop-
18 ment and commercialization of SBIR or STTR tech-
19 nologies.

20 (c) PROGRAM TERMS.—The head of a Federal agency
21 is authorized to approve mentor-protégé agreements pro-
22 viding to the mentor firm incentives, including—

23 (1) credit towards meeting the mentor's small
24 business subcontracting goals; and

25 (2) contractual term extension incentives.

1 (d) APPROVAL.—

2 (1) IN GENERAL.—The Administrator shall ap-
3 prove a SBIR and STTR mentor-protégé program in
4 each Federal agency that establishes such a pro-
5 gram.

6 (2) CLARIFICATION OF APPLICABILITY.—It is
7 the intent of Congress that the prohibition on condi-
8 tioning, negotiating, transferring, or diminishing
9 SBIR and STTR data rights in the making or ad-
10 ministration of phase III awards (including prime
11 contracts and subcontracts) that are federally fund-
12 ed or intended for use by the Federal Government
13 that is contained in section 8 of the SBIR Policy Di-
14 rective and in section 3 of the STTR Policy Direc-
15 tive (as in effect on the date of enactment of this
16 Act, and any successor thereto) apply to mentor-
17 protégé agreements established for the purpose of
18 assisting SBIR and STTR small business concerns.

19 (3) DATA RIGHTS PROTECTIONS.—Notwith-
20 standing any other provision of law, no mentor-
21 protégé agreement with an SBIR or STTR small
22 business concern may be approved by any Federal
23 agency, unless it contains phase III data rights pro-
24 tection clauses prescribed by the SBIR and STTR
25 Policy Directives described in paragraph (2).

1 (4) APPROVAL OF AGREEMENTS.—The SBIR
2 program manager and the STTR program manager
3 at a Federal agency shall each ensure that Federal
4 reimbursement funding for mentor-protégé assist-
5 ance to SBIR and STTR small business concerns is
6 directed towards development, testing, evaluation,
7 and commercialization of SBIR and STTR tech-
8 nologies, respectively.

9 (5) REPORTING REQUIREMENT.—Any mentor-
10 protégé agreement established for the purpose of as-
11 sisting an SBIR or STTR small business concern
12 shall require reporting of the dollar value of phase
13 III awards made as a result of the mentor-protégé
14 assistance.

15 **SEC. 1535. SUBCONTRACTING WITH FEDERAL LABORA-**
16 **TORIES AND RESEARCH AND DEVELOPMENT**
17 **CENTERS.**

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

21 “(ee) SUBCONTRACTING.—

22 “(1) AUTHORIZATION.—The head of each par-
23 ticipating Federal agency is authorized to issue
24 SBIR and STTR awards to any eligible small busi-
25 ness concern which intends to subcontract portions

1 of the work to Federal laboratories and federally
2 funded research and development centers, subject to
3 the limitations under this section.

4 “(2) PROHIBITION.—No Federal agency shall—

5 “(A) condition SBIR or STTR awards
6 upon subcontracting any portion of the work to
7 any Federal agency or any federally funded lab-
8 oratory or research and development center;

9 “(B) approve a subcontracting arrange-
10 ment where the small business concern per-
11 forms a lesser portion of the work than required
12 by this section and by the SBIR and STTR
13 Policy Directives; or

14 “(C) approve a subcontracting arrange-
15 ment which violates any provisions, including
16 data rights protections provisions, of this sec-
17 tion or the SBIR and the STTR Policy Direc-
18 tives.

19 “(3) IMPLEMENTATION.—Not later than 180
20 days after the date of enactment of this subsection,
21 the Administrator shall modify the SBIR Policy Di-
22 rective and the STTR Policy Directive issued under
23 this section to ensure that small business concerns
24 have the flexibility to use the resources of the Fed-
25 eral laboratories and federally funded research and

1 development centers, but shall not be mandated to
2 subcontract with them as a condition of award.”.

3 **SEC. 1536. INNOVATION COMMERCIALIZATION PILOT PRO-**
4 **GRAMS.**

5 Section 9 of the Small Business Act (15 U.S.C. 638),
6 as amended by this Act, is amended by adding at the end
7 the following:

8 “(ff) INNOVATION COMMERCIALIZATION PILOT PRO-
9 GRAMS.—

10 “(1) IN GENERAL.—Effective on and after the
11 beginning of fiscal year 2007, the head of any civil-
12 ian Federal agency participating in the SBIR pro-
13 gram which has awarded over \$5,000,000,000 in
14 procurement contracts during the previous fiscal
15 year is authorized to create and administer a com-
16 mercialization pilot program (in this section referred
17 to as a ‘pilot program’) to accelerate the transition
18 of technologies, products, and services developed
19 under the SBIR program to Phase III, including the
20 acquisition process.

21 “(2) IDENTIFICATION OF RESEARCH PROGRAMS
22 FOR ACCELERATED TRANSITION TO ACQUISITION
23 PROCESS.—In carrying out a pilot program, the
24 head of the Federal agency concerned shall identify
25 research programs of the SBIR program that have

1 the potential for rapid transitioning to Phase III
2 and into the acquisition process.

3 “(3) LIMITATION.—No research program may
4 be identified under paragraph (2) unless the head of
5 the Federal agency concerned certifies in writing
6 that the successful transition of the program to
7 Phase III and into the acquisition process is ex-
8 pected to meet high priority mission requirements of
9 such agency.

10 “(4) FUNDING.—

11 “(A) IN GENERAL.—For payment of ex-
12 penses incurred to administer a pilot program,
13 the head of the Federal agency concerned is au-
14 thorized to use not more than an amount equal
15 to 1 percent of the funds available to such Fed-
16 eral agency under the SBIR program.

17 “(B) LIMITATIONS.—Any funds used
18 under subparagraph (A)—

19 “(i) shall not be subject to the limita-
20 tions on the use of funds in subsection
21 (f)(2); or

22 “(ii) may not be used to make Phase
23 III awards.

24 “(5) EVALUATIVE REPORT.—

1 “(A) IN GENERAL.—At the end of each fis-
2 cal year, the head of the Federal agency con-
3 cerned shall submit to the Committee on Small
4 Business and Entrepreneurship of the Senate
5 and the Committee on Small Business of the
6 House of Representatives a report regarding ac-
7 tivities under the Commercialization Pilot Pro-
8 gram.

9 “(B) CONTENTS.—Each report under sub-
10 paragraph (A) shall include—

11 “(i) an accounting of the funds used
12 in a pilot program;

13 “(ii) a detailed description of the pilot
14 program of such Federal agency, including
15 incentives and activities undertaken by ac-
16 quisition program managers, program ex-
17 ecutive officers, managers or operators of
18 laboratories or research and development
19 centers, and prime contractors; and

20 “(iii) a detailed compilation of results
21 achieved by the pilot program of such Fed-
22 eral agency, including the number of small
23 business concerns assisted, Phase III dol-
24 lars awarded, and the number of projects
25 commercialized.

1 “(6) AUTHORIZED INCENTIVES AND ACTIVI-
2 TIES.—In carrying out a pilot program, the head of
3 the Federal agency concerned is authorized to—

4 “(A) offer contractual term and payment
5 incentives to prime contractors for successful
6 commercialization of SBIR technologies; and

7 “(B) facilitate business development and
8 management assistance to SBIR small business
9 concerns, conduct outreach to prime contrac-
10 tors, and provide such other assistance as the
11 head of such Federal agency may determine
12 necessary and proper.

13 “(7) INTERAGENCY COMMERCIALIZATION.—The
14 head of each Federal agency authorized to carry out
15 a pilot program under this section is authorized to
16 use such program to facilitate commercialization of
17 SBIR technologies developed through awards from
18 other Federal agencies.

19 “(8) SUNSET.—The authority to establish a
20 pilot program, and any pilot program established,
21 under this subsection shall terminate at the end of
22 fiscal year 2010.”.

23 **SEC. 1537. ENFORCEMENT.**

24 (a) NOTIFICATION.—The head of any Federal agency
25 involved in a case or controversy before any Federal judi-

1 cial or administrative tribunal concerning the SBIR pro-
2 gram or the STTR program shall provide timely notice
3 of such case or controversy to the Administrator.

4 (b) REPORTING.—Section 9(b)(7) of the Small Busi-
5 ness Act (15 U.S.C. 638(b)(7)) is amended by inserting
6 before the semicolon at the end the following: “, and a
7 detailed description of appeals of Phase III awards and
8 notices of noncompliance with the SBIR and the STTR
9 Policy Directives filed by the Administrator with Federal
10 agencies”.

11 **Subtitle D—Technical and Finan-**
12 **cial Assistance for Small Busi-**
13 **ness Innovation**

14 **SEC. 1541. REAUTHORIZATION AND ENHANCEMENT OF**
15 **STATE, LOCAL, AND RURAL INNOVATION AS-**
16 **SISTANCE PROGRAMS.**

17 (a) FEDERAL AND STATE PROGRAM EXTENSION.—
18 Section 9(s) of the Small Business Act (15 U.S.C. 638(s))
19 is amended—

20 (1) in paragraph (1), by striking “1995” and
21 inserting “2012”; and

22 (2) in paragraph (2), by striking “\$2,000,000”
23 and inserting “\$5,000,000”.

24 (b) RURAL OUTREACH PROGRAM EXTENSION.—Sec-
25 tion 501(b)(2) of the Small Business Reauthorization Act

1 of 1997 (15 U.S.C. 638 note; 111 Stat. 2622) is amended
2 by striking “2005” and inserting “2012”.

3 **SEC. 1542. CONTINUED EVALUATION BY THE NATIONAL**
4 **ACADEMY OF SCIENCES.**

5 Section 108 of the Small Business Reauthorization
6 Act of 2000 (114 Stat. 2763A–671) is amended by adding
7 at the end:

8 “(e) EXTENSIONS AND ENHANCEMENTS OF AUTHOR-
9 ITY.—

10 “(1) IN GENERAL.—The studies authorized
11 under this section are authorized through the end of
12 fiscal year 2009, subject to any further requirements
13 set forth in this section.

14 “(2) REPORT.—

15 “(A) IN GENERAL.—The head of an agen-
16 cy described in subsection (a) should ensure
17 that any agreement under that subsection in-
18 cludes that the National Academy of Sciences
19 should conduct a survey of State and inter-
20 national innovation development policies, and
21 other studies and research, subject to the avail-
22 ability of funds to carry out this section—

23 “(i) addressing desirability and feasi-
24 bility of establishing a public, federally
25 backed secondary capital market mecha-

1 nism to fund securities representing invest-
2 ments in highly promising small innovative
3 companies; and

4 “(ii) addressing barriers to greater
5 commercialization of small business inno-
6 vations.

7 “(B) SUBMISSION.—The agreement de-
8 scribed in subparagraph (A) should require
9 that, not later than December 30, 2009, the
10 National Academy of Sciences should submit to
11 Congress a report describing the survey con-
12 ducted under subparagraph (A).”.

13 **SEC. 1543. PHASE II INNOVATION DEVELOPMENT CHAL-**
14 **LENGE PILOT PROGRAM.**

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

18 “(gg) PILOT PROGRAM.—

19 “(1) AUTHORIZATION.—The head of each par-
20 ticipating Federal agency may set aside not more
21 than 10 percent of the SBIR and STTR funds of
22 such agency for further technology development and
23 commercialization of SBIR and STTR Phase II
24 technologies (in this section referred to as a ‘pilot
25 program’). Such authority shall be in addition to any

1 other similar program that may be operating or au-
2 thORIZED to be operated by a participating Federal
3 agency.

4 “(2) REQUIREMENTS.—

5 “(A) IN GENERAL.—A Federal agency may
6 not establish a pilot program unless such agen-
7 cy makes a written application to the Adminis-
8 trator, not less than 90 days prior to the begin-
9 ning of the fiscal year in which such pilot pro-
10 gram is to be established, based on a compelling
11 reason that additional investment in SBIR or
12 STTR technologies is required due to unusually
13 high regulatory, systems integration, or other
14 costs related to development or manufacturing
15 of identifiable, highly promising small business
16 technologies or a class of such technologies ex-
17 pected to substantially advance the agency’s
18 mission.

19 “(B) DETERMINATION.—The Adminis-
20 trator shall—

21 “(i) make a determination regarding
22 an application submitted under subpara-
23 graph (A) not later than 30 days before
24 the beginning of the fiscal year for which
25 such application is submitted;

1 “(ii) publish such decision in the Fed-
2 eral Register; and

3 “(iii) make a copy of such decision,
4 and any related materials available to the
5 Committee on Small Business and Entre-
6 preneurship of the Senate and the Com-
7 mittee on Small Business of the House of
8 Representatives.

9 “(C) MAXIMUM AMOUNT.—No award
10 under a pilot program may be made in excess
11 of 2 times the dollar amounts generally estab-
12 lished for Phase II awards under this section.

13 “(D) MATCHING.—No award may be made
14 under a pilot program unless new private, Fed-
15 eral non-SBIR, or Federal non-STTR funding
16 which at least matches the award from the Fed-
17 eral agency is dedicated towards SBIR or
18 STTR Phase II technology.

19 “(E) ELIGIBILITY.—Awards under this
20 pilot program may be made to any applicant
21 which is eligible to receive a Phase III award
22 related to such SBIR or STTR Phase II tech-
23 nology.

24 “(F) REGISTRATION.—Applicants receiving
25 awards under a pilot program shall register

1 with the Administrator in a publicly available
2 registry.

3 “(G) TERMINATION.—The authority to es-
4 tablish a pilot program under this section ex-
5 pires at the end of fiscal year 2012.”.

6 **SEC. 1544. ENCOURAGING INNOVATION IN ENERGY EFFI-
7 CIENCY.**

8 (a) FEDERAL AGENCY ENERGY-RELATED PRI-
9 ORITY.—In carrying out its duties under section 9 of the
10 Small Business Act relating to SBIR and STTR solicita-
11 tions by Federal agencies, the Administrator shall—

12 (1) ensure that such agencies give high priority
13 to small business concerns that participate in or con-
14 duct energy efficiency or renewable energy system
15 research and development projects; and

16 (2) include in the annual report to Congress
17 under section 9(b)(7) of the Small Business Act (15
18 U.S.C. 638(b)(7)), a determination of whether the
19 priority described in paragraph (1) is being carried
20 out.

21 (b) CONSULTATION REQUIRED.—The Administrator
22 shall consult with the heads of other Federal agencies and
23 departments in determining whether priority has been
24 given to small business concerns that participate in or con-
25 duct energy efficiency or renewable energy system re-

1 search and development projects, as required by this sec-
2 tion.

3 (c) GUIDELINES.—The Administrator shall, as soon
4 as is practicable after the date of enactment of this Act,
5 issue guidelines and directives to assist Federal agencies
6 in meeting the requirements of this section.

7 (d) DEFINITIONS.—In this section—

8 (1) the term “biomass”—

9 (A) means any organic material that is
10 available on a renewable or recurring basis, in-
11 cluding—

12 (i) agricultural crops;

13 (ii) trees grown for energy production;

14 (iii) wood waste and wood residues;

15 (iv) plants (including aquatic plants
16 and grasses);

17 (v) residues;

18 (vi) fibers;

19 (vii) animal wastes and other waste
20 materials; and

21 (viii) fats, oils, and greases (including
22 recycled fats, oils, and greases); and

23 (B) does not include—

24 (i) paper that is commonly recycled;

25 or

- 1 (ii) unsegregated solid waste;
- 2 (2) the term “energy efficiency project” means
- 3 the installation or upgrading of equipment that re-
- 4 sults in a significant reduction in energy usage; and
- 5 (3) the term “renewable energy system” means
- 6 a system of energy derived from—
- 7 (A) a wind, solar, biomass, or geothermal
- 8 source; or
- 9 (B) hydrogen derived from biomass or
- 10 water using an energy source described in sub-
- 11 paragraph (A).

12 **SEC. 1545. SBIR–STEM WORKFORCE DEVELOPMENT GRANT**

13 **PILOT PROGRAM.**

14 (a) **PILOT PROGRAM ESTABLISHED.**—From amounts

15 made available to carry out this section, the Administrator

16 shall establish a SBIR–STEM Workforce Development

17 Grant Pilot Program to encourage the business commu-

18 nity to provide workforce development opportunities for

19 college students, in the fields of science, technology, engi-

20 neering, and math (or “STEM college students”), by pro-

21 viding an SBIR bonus grant.

22 (b) **ELIGIBLE ENTITIES DEFINED.**—In this section

23 the term “eligible entity” means a current grantee under

24 the SBIR Program, as defined in section 9(e) of the Small

1 Business Act (15 U.S.C. 638(e)), that provides an intern-
 2 ship program for STEM college students.

3 (c) AWARDS.—An eligible entity shall receive a bonus
 4 grant equal to 10 percent of either a Phase I or Phase
 5 II grant, as applicable, with a total award maximum of
 6 not more than \$10,000 per year.

7 (d) EVALUATION.—Following the fifth year of fund-
 8 ing under this section, the Administrator shall submit a
 9 report to Congress on the results of the SBIR–STEM
 10 Workforce Development Grant Pilot Program.

11 (e) AUTHORIZATION OF APPROPRIATIONS.—There
 12 are authorized to be appropriated to carry out this sec-
 13 tion—

14 (1) \$1,000,000 for fiscal year 2007;

15 (2) \$1,000,000 for fiscal year 2008;

16 (3) \$1,000,000 for fiscal year 2009;

17 (4) \$1,000,000 for fiscal year 2010; and

18 (5) \$1,000,000 for fiscal year 2011.

19 **Subtitle E—Implementation**

20 **SEC. 1551. CONFORMING AMENDMENTS TO THE SBIR AND** 21 **THE STTR POLICY DIRECTIVES.**

22 Not later than 180 days after the date of enactment
 23 of this Act, the Administrator shall promulgate amend-
 24 ments to the SBIR and the STTR Policy Directives to

1 conform such directives to this title and the amendments
2 made by this title.

3 **TITLE XVI—NATIVE AMERICAN**
4 **SMALL BUSINESS DEVELOP-**
5 **MENT PROGRAM**

6 **SEC. 1601. SHORT TITLE.**

7 This title may be cited as the “Native American
8 Small Business Development Act of 2006”.

9 **SEC. 1602. NATIVE AMERICAN SMALL BUSINESS DEVELOP-**
10 **MENT PROGRAM.**

11 The Small Business Act (15 U.S.C. 631 et seq.) is
12 amended by inserting after section 38, as added by this
13 Act, the following:

14 **“SEC. 39. NATIVE AMERICAN SMALL BUSINESS DEVELOP-**
15 **MENT PROGRAM.**

16 “(a) DEFINITIONS.—In this section—

17 “(1) the term ‘Alaska Native’ has the same
18 meaning as the term ‘Native’ in section 3(b) of the
19 Alaska Native Claims Settlement Act (43 U.S.C.
20 1602(b));

21 “(2) the term ‘Alaska Native corporation’ has
22 the same meaning as the term ‘Native Corporation’
23 in section 3(m) of the Alaska Native Claims Settle-
24 ment Act (43 U.S.C. 1602(m));