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(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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**

M\_\_\_\_. \_\_\_\_\_ introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

\_\_\_\_\_  
**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. Report on certain denials of Phase III.
- Sec. 303. Technology Commercialization Official.
- Sec. 304. 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 in of such  
4 budget 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)—

13 (A) in subparagraph (A), by striking  
14 “through fiscal year 2025”; and

15 (B) in subparagraph (B)—

16 (i) in clause (iv), by striking “; and”  
17 and inserting a semicolon;

18 (ii) in clause (v), by striking “fiscal  
19 year 2016 and each fiscal year thereafter.”  
20 and inserting “each of fiscal years 2016  
21 through 2025”; and

22 (iii) by adding at the end the fol-  
23 lowing:

24 “(vi) 0.5 percent for fiscal year 2026  
25 and 2027;

1 “(vii) 0.65 percent for fiscal year  
2 2028 and 2029;  
3 “(viii) 0.8 percent for fiscal year 2030  
4 and 2031; and  
5 “(ix) 1 percent for fiscal year 2032  
6 and each fiscal year thereafter.”.

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

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

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

12 “(5) FELLOWSHIPS.—

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

22 “(B) ENHANCED OUTREACH.—Each Fed-  
23 eral agency that makes an award or enters into  
24 a partnership under subparagraph (A) shall  
25 provide for enhanced outreach to increase the

1 participation of women, socially disadvantaged  
2 individuals (as described in section 8(a)(5)),  
3 and economically disadvantaged individuals (as  
4 described section 8(a)(6)(A)) in the fellowship  
5 and internship opportunities described under  
6 subparagraph (A).

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

17 “(D) FUNDING.—In carrying out this  
18 paragraph, a Federal agency may use only the  
19 following amounts:

20 “(i) With respect to a Federal agency  
21 that uses the authority under subsection  
22 (mm), the funds authorized under such  
23 subsection.

24 “(ii) With respect a Federal agency  
25 other than a Federal agency described in

1 clause (i), not more than three percent of  
2 the funds required to be expended under  
3 paragraph (1).”; and

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

6 “(4) FELLOWSHIPS.—

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

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

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

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

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

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



1   **SEC. 203. APPLICATION ASSISTANCE TO BROADEN PARTICI-**  
2                   **PATION.**

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

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

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

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

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

20           (b) ENHANCED MINORITY INSTITUTION PARTICIPA-  
21 TION.—

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

25               “(5) INCREASED OUTREACH REQUIREMENTS.—  
26 Not later than 90 days after the date of the enact-

1       ment of this paragraph, the Administration shall  
2       modify the policy directives issued pursuant to this  
3       subsection to require enhanced outreach efforts to  
4       increase the participation of individuals conducting  
5       research at minority institutions (as defined in sec-  
6       tion 365 of the Higher Education Act of 1965 (20  
7       U.S.C. 1067k)) and Hispanic-serving institutions (as  
8       defined in section 502(a) of such Act (20 U.S.C.  
9       1101a(a))) in SBIR programs.”.

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

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

14                   (B) in subparagraph (G)(iii), by striking  
15       the period at the end and inserting “; and”;  
16       and

17                   (C) by adding at the end the following new  
18       subparagraph:

19                   “(H) procedures for outreach efforts to in-  
20       crease the participation of individuals con-  
21       ducting research at minority institutions (as de-  
22       fined in section 365 of the Higher Education  
23       Act of 1965 (20 U.S.C. 1067k)) and Hispanic-  
24       serving institutions (as defined in section 16

1           502(a) of such Act (20 U.S.C. 1101a(a))) in  
2           STTR programs.”.

3 **SEC. 204. TECHNICAL AND BUSINESS ASSISTANCE IM-**  
4 **PROVEMENTS.**

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

7           (1) in subsection (q)—

8           (A) in paragraph (1), in the matter pre-  
9 ceding subparagraph (A)—

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

22           (ii) by inserting “cybersecurity assist-  
23 ance,” after “intellectual property protec-  
24 tions,”; and

1 (iii) by striking “such concerns” and  
2 inserting “such recipients”;

3 (B) in paragraph (2), by adding at the end  
4 the following:

5 “(C) STAFF.—A small business concern  
6 may, by contract or otherwise, use funding pro-  
7 vided under this section to hire new staff, aug-  
8 ment staff, or direct staff to conduct or partici-  
9 pate in training activities consistent with the  
10 goals listed in paragraph (1) consistent with the  
11 goals listed in paragraph (1).”;

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

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

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

1 “(ii) provided through a vendor other  
2 than a vendor selected under paragraph  
3 (2)(A);

4 “(iii) achieved through the activities  
5 described in paragraph (2)(C); or

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

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

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

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

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

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

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

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

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

7 “(aaa) I-CORPS PARTICIPATION.—

8 “(1) IN GENERAL.—Each Federal agency that,  
9 as of January 1, 2025, was required to conduct an  
10 SBIR or STTR program with an Innovation Corps  
11 program (established under section 601 of the Amer-  
12 ican Innovation and Competitiveness Act (42 U.S.C.  
13 1862s–8) and commonly known as ‘I-Corps’)  
14 shall—

15 “(A) provide an option for participation in  
16 an I-Corps teams course, I-Corps bootcamp, or  
17 another equivalent training program to recipi-  
18 ents of an award under the SBIR or STTR  
19 program; and

20 “(B) authorize the recipients described in  
21 subparagraph (A) to use amounts authorized  
22 under this subsection to participate in the I-  
23 Corps teams course, I-Corps bootcamp, or an-  
24 other equivalent training program.

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

6                     “(A) an I-Corps team grant;

7                     “(B) funds awarded to the recipient under  
8           this subsection;

9                     “(C) the participating teams or other  
10          sources as appropriate; or

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

13 **SEC. 205. IMPROVEMENTS TO WEBSITE RELATING TO THE**  
14 **SBIR PROGRAM OR STTR PROGRAM.**

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

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

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

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

23                     “(D) for each research institution subcon-  
24                     tracted by a recipient of a Phase I, Phase II,  
25                     or Phase III SBIR award to perform research

1 or research and development with respect to  
2 such award—

3 “(i) the name and location of such re-  
4 search institution;

5 “(ii) whether such research institution  
6 is—

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

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

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

21 “(iii) for each research institution  
22 that is an institution of higher education,  
23 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(c)));

18 “(VI) an Asian American and  
19 Native American Pacific Islander-  
20 serving institution (as defined in sec-  
21 tion 371(c) of such Act (20 U.S.C. 10  
22 1067q(c))); 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(c));”.

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

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

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

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

11 “(D) for each research institution subcon-  
12 tracted by a recipient of a Phase I or Phase II  
13 STTR award to perform research or research  
14 and development with respect to such award—

15 “(i) the name and location of such re-  
16 search institution;

17 “(ii) whether such research institution  
18 is—

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

23 “(II) a nonprofit institution (as  
24 defined in section 4 of the Stevenson-  
25 Wydler Technology Innovation Act of

1 1980 (15 U.S.C. 3703)) other than an  
2 institution of higher education; or

3 “(III) a federally funded research  
4 and development center (as identified  
5 by the National Scientific Foundation  
6 in accordance with the Federal Acqui-  
7 sition Regulation); and

8 “(iii) for each research institution  
9 that is an institution of higher education,  
10 whether such research institution is—

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

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

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

20 “(IV) an Alaska Native-serving  
21 institution or a Native Hawaiian-serv-  
22 ing institution (as defined in section  
23 317(b) of such Act (20 U.S.C.  
24 1059d(b)));

1 “(V) a Predominantly Black In-  
2 stitution (as defined in section 371(c)  
3 of such Act (20 U.S.C. 1067q(c)));

4 “(VI) an Asian American and  
5 Native American Pacific Islander-  
6 serving institution (as defined in sec-  
7 tion 371(c) of such Act (20 U.S.C. 25  
8 1067q(c))); or

9 “(VII) a Native American-serving  
10 nontribal institution (as defined in  
11 section 371(c) of such Act (20 U.S.C.  
12 1067q(c)));”.

13 (c) DATABASE REPORTING.—

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

16 (A) by striking “Phase I or Phase II SBIR  
17 or STTR” each place it appears and inserting  
18 “Phase I, Phase II, or Phase III SBIR or  
19 STTR”;

20 (B) in paragraph (1)(B)—

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

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

1 (iii) by adding at the end the fol-  
2 lowing new clause:

3 “(iv) information regarding any re-  
4 search institution subcontracted by such  
5 small business concern to perform research  
6 or research and development with respect  
7 to such award, including—

8 “(I) the name and location of  
9 such research institution;

10 “(II) whether such research insti-  
11 tution is—

12 “(aa) an institution of high-  
13 er education (as such term is de-  
14 fined in section 101 of the High-  
15 er Education Act of 1965 (20  
16 U.S.C. 1001));

17 “(bb) a nonprofit institution  
18 (as defined in section 4 of the  
19 Stevenson-Wydler Technology In-  
20 novation Act of 1980 (15 U.S.C.  
21 3703)) other than an institution  
22 of higher education; or

23 “(cc) a federally funded re-  
24 search and development center  
25 (as identified by the National

1 Scientific Foundation in accord-  
2 ance with the Federal Acquisition  
3 Regulation); and

4 “(III) for each research institu-  
5 tion that is an institution of higher  
6 education (as such term is defined in  
7 section 101 of the Higher Education  
8 Act of 1965 (20 U.S.C. 1001)),  
9 whether such research institution is  
10 an institution described in paragraphs  
11 (1) through (7) of section 371(a) of  
12 such Act (20 U.S.C. 1067q(a));”;

13 (C) in paragraph (2)—

14 (i) in subparagraph (A), by striking  
15 “Phase I or Phase II of the SBIR program  
16 or the STTR” and inserting “Phase I,  
17 Phase II, or Phase III of the SBIR pro-  
18 gram or the STTR”;

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

21 (iii) in subparagraph (G)(ii), by strik-  
22 ing the period at the end and inserting “;  
23 and”; and

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

1           “(H) contains information for each re-  
2           search institution subcontracted by a recipient  
3           of a Phase I, Phase II, or Phase III STTR or  
4           SBIR award to perform research or research  
5           and development with respect to such award,  
6           including—

7                   “(i) the name and location of such re-  
8                   search institution;

9                   “(ii) whether such research institution  
10                  is—

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

15                           “(II) a nonprofit institution (as  
16                           defined in section 4 of the Stevenson-  
17                           Wydler Technology Innovation Act of  
18                           1980 (15 U.S.C. 3703)) other than an  
19                           institution of higher education; or

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

1                   “(iii) for each research institution  
2                   that is an institution of higher education  
3                   (as such term is defined in section 101 of  
4                   the Higher Education Act of 1965 (20  
5                   U.S.C. 1001)), whether such research in-  
6                   stitution is an institution described in  
7                   paragraphs (1) through (7) of section  
8                   371(a) of such Act (20 U.S.C.  
9                   1067q(a)).”; and

10                  (D) in paragraph (3)(C), by striking  
11                  “Phase I or Phase II award” each place it ap-  
12                  pears and inserting “Phase I, Phase II, or  
13                  Phase III award”.

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

19                         (A) in the database described such para-  
20                         graph (1) the information required under such  
21                         paragraph, as amended by subparagraphs (A)  
22                         and (B) of paragraph (1) of this Act; and

23                         (B) in the database described such para-  
24                         graph (2) the information required under such



1 paragraph, as amended by subparagraphs (A)  
2 and (C) of paragraph (1) of this Act.

3 **TITLE III—COMMERCIALIZATION**  
4 **IMPROVEMENTS**

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

6 Section 9(r) of the Small Business Act (15 U.S.C.  
7 638(r)) is amended by adding at the end the following new  
8 paragraph:

9 “(5) WORKFORCE TRAINING.—

10 “(A) IN GENERAL.—The Administrator, in  
11 coordination with the Secretary of Defense, the  
12 Administrator of the General Services Adminis-  
13 tration, and the head of any such other Federal  
14 agency that the Administrator determines ap-  
15 propriate, shall establish training activities for  
16 contracting officers and agency acquisition  
17 workforce of Federal agencies to ensure that  
18 such individuals are fully aware of all aspects of  
19 Phase III acquisitions under the SBIR and  
20 STTR programs, as applicable.

21 “(B) TRAINING TOPICS.—The training ac-  
22 tivities required under subparagraph (A) shall  
23 include training on—

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

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

2 “(iii) Phase III data rights; and

3 “(iv) the execution of Phase III sole

4 source award contracts.

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

6 “(i) AGENCY ACQUISITION WORK-

7 FORCE.—The term ‘agency acquisition

8 workforce’ means the employees of a Fed-

9 eral agency that have procurement or ac-

10 quisition responsibilities, including—

11 “(I) employees described in sec-

12 tion 1703 of title 41, United States

13 Code; and

14 “(II) individuals that are part of

15 the acquisition workforce (as such

16 term is defined in section 101(a) of

17 title 10, United States Code).

18 “(ii) PHASE III ACQUISITION.—The

19 term ‘Phase III acquisition’ means the ac-

20 quisition of a good or service from a par-

21 ticipant in Phase III that such participant

22 has commercialized or is seeking to com-

23 mercialize as such a participant.”.

1 **SEC. 302. REPORT ON CERTAIN DENIALS OF PHASE III.**

2 Section 9(r) of the Small Business Act (15 U.S.C.  
3 638(r)), as amended by section 301, is further amended  
4 by adding at the end the following new paragraph:

5 “(6) REPORTING.—Not later than 30 days after  
6 the date on which the Department of Defense denies  
7 a small business concern Phase III agreement, the  
8 Secretary of Defense shall report that denial to the  
9 Administrator.”.

10 **SEC. 303. TECHNOLOGY COMMERCIALIZATION OFFICIAL.**

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

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

17 “(1) designate an existing official within such  
18 Federal agency as the Technology Commercialization  
19 Official of such Federal agency, who shall—

20 “(A) have sufficient experience with com-  
21 mercialization;

22 “(B) provide guidance to recipients of  
23 SBIR or STTR awards on commercializing and  
24 transitioning technologies;

25 “(C) coordinate with the Administrator  
26 and the Technology Commercialization Officials

1 of other Federal agencies to identify additional  
2 markets and commercialization pathways for  
3 promising SBIR and STTR program tech-  
4 nologies;

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

12 “(E) identify and advocate for SBIR and  
13 STTR technologies with sufficient technology  
14 and commercialization readiness to advance to  
15 Phase III awards or other non-SBIR or STTR  
16 program contracts;

17 “(F) submit to the Administrator an an-  
18 nual report on—

19 “(i) the actions taken by such Federal  
20 agency to simply, standardize, and expedite  
21 the application process and requirements,  
22 procedures, and contracts as required  
23 under subsection (hh); and

24 “(ii) the results of the actions taken  
25 under clause (i); and

1           “(G) carry out such other duties as the  
2           head of such Federal agency determines nec-  
3           essary; or

4           “(2) identify an official in such Federal agency  
5           carrying out responsibilities that are substantially  
6           similar to those described in subparagraphs (A)  
7           through (F) of paragraph (1).”.

8   **SEC. 304. PHASE III IMPROVEMENTS.**

9           (a) PROCUREMENT CENTER REPRESENTATIVE DI-  
10          RECTIVES.—

11           (1) IN GENERAL.—Section 9(j)(4) of the Small  
12          Business Act (15 U.S.C. 638(j)(4)) is amended by  
13          inserting before the period at the end the following:  
14          “, and advocate for the maximum practicable use  
15          and transition of products, services, and technologies  
16          developed under SBIR or STTR programs to Phase  
17          III by means of Phase III awards to small business  
18          concerns”.

19           (2) MODIFICATION DEADLINE.—Not later than  
20          one year after the date of the enactment of this Act,  
21          the Administrator of the Small Business Administra-  
22          tion shall modify the policy directives issues pursu-  
23          ant to subsection (j) of section 9 of the Small Busi-  
24          ness Act (15 U.S.C. 638(j)) in accordance with

1 paragraph (4) of such subsection, as amended by  
2 paragraph (1).

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

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

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

10 (3) by adding at the end the following new sub-  
11 paragraphs:

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

18 “(D) shall issue standardized solicitation  
19 provisions and contract clauses which provide  
20 clear guidance on the information that small  
21 business concerns participating in SBIR or  
22 STTR programs can be expected to provide as  
23 part of market research or as part of a proposal  
24 by such small business concern to establish eli-  
25 gibility for Phase III awards.”.

1       **TITLE IV—PILOT PROGRAMS**

2       **SEC. 401. EXTEND AND MODIFY ASSISTANCE FOR ADMINIS-**  
3                   **TRATIVE, OVERSIGHT, AND CONTRACT PROC-**  
4                   **ESSING COSTS.**

5           (a) IN GENERAL.—Section 9(mm) of the Small Busi-  
6   ness Act (15 U.S.C. 638(mm)), as amended by section  
7   202, is further amended—

8           (1) by designating the text of paragraph (1) as  
9   subparagraph (A); and

10          (2) in paragraph (1)—

11           (A) by redesignating subparagraphs (A)  
12   through (L) as clauses (i) through (xii), respec-  
13   tively;

14           (B) by striking “September 30, 2025” and  
15   inserting “September 30, 2030”;

16           (C) by striking “3 percent” and inserting  
17   “3.3 percent”; and

18           (D) by adding at the end the following new  
19   subparagraph:

20           “(B) TRANSFER OF FUNDS.—

21           “(i) IN GENERAL.—Not later than 2  
22   months after the date of the enactment of  
23   an Act providing appropriations for the  
24   Department of Defense, the Department of  
25   Energy, the Department of Health and

1 Human Services, the National Aeronautics  
2 and Space Administration, or the National  
3 Science Foundation, the head of each such  
4 entity for which such Act provided appro-  
5 priations shall transfer not less than 10  
6 percent of the amount of the funds used  
7 for the purposes described in clauses (i)  
8 through (xii) of subparagraph (A) to the  
9 Administrator to increase the resources of  
10 the Administration for administering the  
11 SBIR and STTR programs.

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

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

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

23 “(2) OUTREACH AND TECHNICAL ASSIST-  
24 ANCE.—A Federal agency participating in the pro-  
25 gram under this subsection may use a portion of the



1 funds authorized for uses under paragraph (1) to  
2 carry out the policy directive required under sub-  
3 section (j)(2)(F) and to increase the participation of  
4 States with respect to which a low level of SBIR  
5 awards have historically been awarded.”.

6 (2) CONFORMING AMENDMENT.—Section  
7 9(mm)(6) of the Small Business Act (15 U.S.C.  
8 638(mm)(6)) is amended by striking “including”  
9 and all that follows and inserting the following: “in-  
10 cluding—

11 “(A) the use of funds transferred under  
12 subparagraph (B) of paragraph (1) for the uses  
13 authorized in such subparagraph and to achieve  
14 the objectives of paragraph (2); and

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

17 **SEC. 402. EXTEND AND EXPAND THE DIRECT TO PHASE II**  
18 **AUTHORITY.**

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

21 (1) by designating the text of subsection (cc) as  
22 paragraph (1); and

23 (2) in subsection (cc)—

24 (A) by striking “2012 through 2025” and  
25 inserting “2012 through 2030”;

1 (B) by striking “the National Institutes of  
2 Health, the Department of Defense, and the  
3 Department of Education may each” and in-  
4 serting “each Federal agency required to carry  
5 out an SBIR program may”; and

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

8 “(2) LIMITATION.—The total value of awards  
9 provided by a Federal agency under this subsection  
10 in a fiscal year shall be—

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

15 “(B) with respect to the National Insti-  
16 tutes of Health, not more than 15 percent of  
17 the total funds allocated to the SBIR program  
18 of the National Institutes of Health during that  
19 fiscal year.

20 “(3) REPORT.—Each head of a Federal agency  
21 that exercises the authority under this subsection  
22 shall include in the next report submitted by such  
23 Federal agency under (g)(9) following such exercise  
24 the number and amount of awards provided under

1       this subsection by such Federal agency in the period  
2       covered by such report.”.

3   **SEC. 403. EXTEND COMMERCIALIZATION READINESS PRO-**  
4                   **GRAM FOR CIVILIAN AGENCIES.**

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

7           (1) in the heading, by striking “PILOT” and in-  
8       serting “CIVILIAN AGENCIES COMMERCIALIZATION  
9       READINESS”;

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

12          (3) by striking “fiscal year 2025” and inserting  
13       “fiscal year 2030”.

14   **SEC. 404. EXTENSION OF CERTAIN SBIR AND STTR PILOT**  
15                   **PROGRAMS.**

16       (a) PHASE 0 PROOF OF CONCEPT PARTNERSHIP  
17   PROGRAM.—Section 9(jj)(7) of the Small Business Act  
18   (15 U.S.C. 638(jj)(7)) is amended by striking “at the end  
19   of fiscal year 2025” and inserting “on September 30,  
20   2030”.

21       (b) COMMERCIALIZATION ASSISTANCE PILOT PRO-  
22   GRAMS.—Section 9(uu)(3) of the Small Business Act (15  
23   U.S.C. 638(uu)(3)) is amended by striking “September  
24   30, 2025” and inserting “September 30, 2030”.

1 **SEC. 405. EXTENSION OF DUE DILIGENCE PROGRAM TO AS-**  
2 **SESS SECURITY RISKS.**

3 Section 9(vv)(3)(C) of the Small Business Act (15  
4 U.S.C. 638(vv)(3)(C)) is amended by striking “September  
5 30, 2025” and inserting “September 30, 2030”.

6 **TITLE V—OVERSIGHT AND**  
7 **SIMPLIFICATION INITIATIVES**

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

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

11 (1) in subsection (g)(9)—

12 (A) by inserting “the House Committee on  
13 Small Business, Senate Committee on Small  
14 Business and Entrepreneurship,” after “SBIR  
15 program to”;

16 (B) by inserting a comma after “Adminis-  
17 tration”; and

18 (C) by inserting after “Technology Policy”  
19 the following: “and publish such report on the  
20 website of such Federal agency as soon as prac-  
21 ticable”;

22 (2) in subsection (o)(10)—

23 (A) by inserting “House Committee on  
24 Small Business, Senate Committee on Small  
25 Business and Entrepreneurship,” after “STTR  
26 program to”;

1 (B) by inserting a comma after “Adminis-  
2 tration”; and

3 (C) by inserting after “Technology Policy”  
4 the following: “and publish such report on the  
5 website of such Federal agency as soon as prac-  
6 ticable”; and

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

9 **SEC. 502. COMPTROLLER GENERAL REPORT ON DIVER-**  
10 **SIFICATION AND COMMERCIALIZATION.**

11 (a) IN GENERAL.—Not later than three years after  
12 the date of the enactment of this Act, the Comptroller  
13 General of the United States shall submit to the Com-  
14 mittee on Small Business and Entrepreneurship of the  
15 Senate and the Committee on Small Business of the  
16 House of Representatives a report on the effectiveness of  
17 the SBIR and STTR programs with respect to diversifica-  
18 tion of participants and commercialization.

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

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

24 (2) the efforts of participating agencies to  
25 broaden representation and participation of new en-

1       trants and underrepresented groups in the SBIR  
2       and STTR programs;

3           (3) how participating agencies develop solicita-  
4       tion topics and attract applicants;

5           (4) the efforts of participating agencies to sup-  
6       port technology commercialization;

7           (5) the extent to which the SBIR and STTR  
8       awards made by each participating agency align with  
9       the research priorities and technology needs of that  
10      participating agency; and

11          (6) such other matters as the Comptroller Gen-  
12      eral, in consultation with the Committee on Small  
13      Business and Entrepreneurship of the Senate and  
14      the Committee on Small Business of the House of  
15      Representatives, determines appropriate.

16      (c) DEFINITIONS.—In this section:

17          (1) FEDERAL AGENCY; SBIR; STTR.—The terms  
18      “Federal agency”, “SBIR”, and “STTR” have the  
19      meanings given such terms in section 9(e) of the  
20      Small Business Act (15 U.S.C. 638(e)).

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

24          (3) UNDERREPRESENTED GROUPS.—The term  
25      “underrepresented groups” means small business

1 concerns located in States with respect to which a  
2 low level of SBIR and STTR awards have histori-  
3 cally been awarded, small business concerns owned  
4 and controlled by women, and small business con-  
5 cerns owned and controlled by socially and economi-  
6 cally disadvantaged individuals.

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

11 (5) SMALL BUSINESS CONCERN.—The term  
12 “small business concern” has the meaning given  
13 such term under section 3 of the Small Business Act  
14 (15 U.S.C. 632).

15 (6) SMALL BUSINESS CONCERN OWNED AND  
16 CONTROLLED BY SOCIALLY AND ECONOMICALLY DIS-  
17 ADVANTAGED INDIVIDUALS; SMALL BUSINESS CON-  
18 CERN OWNED AND CONTROLLED BY WOMEN.—The  
19 terms “small business concern owned and controlled  
20 by socially and economically disadvantaged individ-  
21 uals” and “small business concern owned and con-  
22 trolled by women” have the meanings given such  
23 terms in section 8(d) of the Small Business Act (15  
24 U.S.C. 637(d)).

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

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

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

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

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

8 and

9 (4) by inserting after clause (i) the following  
10 new clause:

11 “(ii) provides the average and median  
12 amount of time that each Federal agency  
13 with an SBIR or STTR program takes to  
14 review and make a final decision on pro-  
15 posals submitted under the program; and”.

16 **SEC. 504. PILOT PROGRAM TO ACCELERATE NATIONAL IN-**  
17 **STITUTES OF HEALTH EVALUATION PROC-**  
18 **ESS.**

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

22 “(3) PILOT PROGRAM TO ACCELERATE THE NA-  
23 TIONAL INSTITUTES OF HEALTH SBIR AND STTR  
24 AWARDS.—

25 “(A) IN GENERAL.—Not later than 1 year  
26 after the date of the enactment of this para-



1 graph, the Director of the National Institutes of  
2 Health shall establish a pilot program to reduce  
3 the time for awards under the SBIR and STTR  
4 programs of the National Institutes of Health.

5 “(B) AWARD PROCEDURES.—In carrying  
6 out the pilot program under subparagraph (A),  
7 the Director shall develop simplified and stand-  
8 ardized procedures across all relevant awarding  
9 offices at the National Institutes of Health and  
10 reduce the amount of time between the provi-  
11 sion of notice of such awards and the subse-  
12 quent release of funding with respect to the  
13 awards to be as close to 90 days as possible.

14 “(C) MERIT REVIEW.—

15 “(i) IN GENERAL.—Under the pilot  
16 program under subparagraph (A), the Di-  
17 rector of the National Institutes of Health  
18 may, with respect to awards under the  
19 SBIR and STTR programs of the National  
20 Institute of Health, use such peer review  
21 procedures (including consultation with ap-  
22 propriate scientific experts) as the Director  
23 determines to be appropriate to obtain as-  
24 sessments of scientific and technical merit  
25 and potential for commercialization.

1                   “(ii) DEEMED.—The use of peer re-  
2                   view procedures under clause (i) shall be  
3                   deemed to fulfill any requirements applica-  
4                   ble to the award under the SBIR or STTR  
5                   program of the National Institute of  
6                   Health under sections 406(a)(3)(A) and  
7                   492 of the Public Health Service Act (42  
8                   U.S.C. 284a(a)(3)(A); 289a).

9                   “(D) TERMINATION.—The pilot program  
10                  under subparagraph (A) shall terminate on  
11                  September 30, 2030.”.

12               (b) EVALUATION REPORT.—Not later than three  
13               years after the date of enactment of this Act, the Director  
14               of the National Institutes of Health shall submit to the  
15               Committees on Small Business and Science, Space, and  
16               Technology of the House of Representatives and the Com-  
17               mittee on Small Business and Entrepreneurship of the  
18               Senate an evaluation of the pilot program established  
19               under paragraph (3) of section 9(hh) of the Small Busi-  
20               ness Act (15 U.S.C. 638(hh)), as added by subsection (a),  
21               including an analysis of the peer review procedures used  
22               under subparagraph (C) of such paragraph and the effects  
23               on award times.

1 **SEC. 505. CODIFYING SAFEGUARDS FOR SMALL BUSINESS**  
2 **CONCERNS MAJORITY-OWNED BY VENTURE**  
3 **CAPITAL OPERATING COMPANIES, HEDGE**  
4 **FUNDS, OR PRIVATE EQUITY FIRMS.**

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

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

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

12 “(8) PARTICIPATION LIMITS.—

13 “(A) IN GENERAL.—A small business con-  
14 cern that is majority-owned by multiple venture  
15 capital operating companies, hedge funds, or  
16 private equity firms is ineligible to receive an  
17 award under any SBIR program if the Admin-  
18 istrator determines that such small business  
19 concern is, or is owned and controlled in major-  
20 ity part by, a covered foreign entity.

21 “(B) OWNERSHIP DETERMINATION.—In  
22 determining whether a small business concern is  
23 ineligible to receive an award under any SBIR  
24 program under subparagraph (A), the Adminis-  
25 trator shall consider whether the small business

1 concern is a direct or indirect subsidiary of a  
2 foreign-owned firm.

3 “(C) SIZE STANDARDS.—The Adminis-  
4 trator shall establish size standards for small  
5 business concerns seeking to participate in an  
6 SBIR program solely under the authority under  
7 this section.

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

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

11 “(I) means—

12 “(aa) a foreign entity of  
13 concern;

14 “(bb) a government or polit-  
15 ical party of a foreign country of  
16 concern;

17 “(cc) a natural person who  
18 is not a lawful permanent resi-  
19 dent of the United States, citizen  
20 of the United States, or any  
21 other protected individual (as  
22 such term is defined in section  
23 274B(a)(3) of the Immigration  
24 and Nationality Act (8 U.S.C.  
25 1324b(a)(3))); or

1 “(dd) a partnership, associa-  
2 tion, corporation, organization, or  
3 other combination of persons or-  
4 ganized under the laws of or hav-  
5 ing its principal place of business  
6 in a foreign country of concern;  
7 and

8 “(II) includes—

9 “(aa) any entity owned by,  
10 controlled by, or subject to the  
11 jurisdiction or direction of a an  
12 entity listed in subclause (I);

13 “(bb) any person, wherever  
14 located, who acts as an agent,  
15 representative, or employee of an  
16 entity listed in subclause (I);

17 “(cc) any person who acts in  
18 any other capacity at the order,  
19 request, or under the direction or  
20 control, of an entity listed in sub-  
21 clause (I), or of a person whose  
22 activities are directly or indirectly  
23 supervised, directed, controlled,  
24 financed, or subsidized in whole

1 or in majority part by an entity  
2 listed in subclause (I);

3 “(dd) any person who di-  
4 rectly or indirectly through any  
5 contract, arrangement, under-  
6 standing, relationship, or other-  
7 wise, owns 25 percent or more of  
8 the equity interests of an entity  
9 listed in subclause (I);

10 “(ee) any person with sig-  
11 nificant responsibility to control,  
12 manage, or direct an entity listed  
13 in subclause (I);

14 “(ff) any person, wherever  
15 located, who is a citizen or resi-  
16 dent of a country controlled by  
17 an entity listed in subclause (I);  
18 or

19 “(gg) any corporation, part-  
20 nership, association, or other or-  
21 ganization organized under the  
22 laws of a country controlled by  
23 an entity listed in subclause (I).

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

4 “(I) designated as a foreign ter-  
5 rorist organization by the Secretary of  
6 State under section 219(a) of the Im-  
7 migration and Nationality Act (8  
8 U.S.C. 1189(a));

9 “(II) included on the list of spe-  
10 cially designated nationals and  
11 blocked persons maintained by the Of-  
12 fice of Foreign Assets Control of the  
13 Department of the Treasury (com-  
14 monly known as the SDN list);

15 “(III) owned by, controlled by, or  
16 subject to the jurisdiction or direction  
17 of a government of a foreign country  
18 that is a covered nation (as such term  
19 is defined in section 4872 of title 10,  
20 United States Code);

21 “(IV) alleged by the Attorney  
22 General to have been involved in ac-  
23 tivities for which a conviction was ob-  
24 tained under—

1 “(aa) chapter 37 of title 18,  
2 United States Code (commonly  
3 known as the Espionage Act);

4 “(bb) section 951 or 1030 of  
5 such title;

6 “(cc) chapter 90 of such  
7 title (commonly known as the  
8 Economic Espionage Act of  
9 1996);

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

12 “(ee) section 224, 225, 226,  
13 227, or 236 of the Atomic En-  
14 ergy Act of 1954 (42 U.S.C.  
15 2274, 2275, 2276, 2277, and  
16 2284);

17 “(ff) the Export Control Re-  
18 form Act of 2018 (50 U.S.C.  
19 4801 et seq.); or

20 “(gg) the International  
21 Emergency Economic Powers Act  
22 (50 U.S.C. 1701 et seq.); or

23 “(V) determined by the Secretary  
24 of Commerce, in consultation with the  
25 Secretary of Defense and the Director



1 of National Intelligence, to be engaged  
2 in unauthorized conduct that is detri-  
3 mental to the national security or for-  
4 eign policy of the United States.”.

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

11 **SEC. 506. COMMERCIALIZATION IMPACT ASSESSMENT.**

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

15 “(ccc) COMMERCIALIZATION IMPACT ASSESSMENT.—

16 “(1) IN GENERAL.—The Administrator, shall  
17 coordinate with the head of each Federal agency  
18 with an SBIR or STTR program to develop an an-  
19 nual commercialization impact assessment, which  
20 shall measure, for each small business concern that  
21 has received not less than 50 Phase II on or after  
22 October 1 of the ninth full fiscal year beginning be-  
23 fore the fiscal year in which the assessment is car-  
24 ried out—

1           “(A) the total dollar value of Federal  
2           awards, including subgrants, contracts, and  
3           subcontracts, other than SBIR or STTR  
4           awards, received by the small business concern  
5           in the preceding 9 fiscal years;

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

10          “(C) the average annual gross revenue of  
11          the small business concern over the preceding 9  
12          fiscal years;

13          “(D) the total revenue of the small busi-  
14          ness concern received or realized in the pre-  
15          ceding 9 fiscal years from the sale or licensing  
16          of any product or service resulting from re-  
17          search conduct under an SBIR or STTR  
18          award, disaggregated by the revenue from such  
19          sales and the revenue from such licensing;

20          “(E) additional investments in the small  
21          business concern from any source, other than a  
22          Phase I or Phase II SBIR or STTR awards, to  
23          further the research and development conducted  
24          under an SBIR or STTR award received by the

1 small business concern in the preceding 9 fiscal  
2 years;

3 “(F) any mergers and acquisitions of  
4 SBIR or STTR award recipients during or  
5 after the completion of a Phase II award;

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

11 “(H) the year in which the first Phase II  
12 award was received by the small business con-  
13 cern and the total number of employees of the  
14 small business concern at the time of first  
15 Phase II award;

16 “(I) the number of employees, as of the  
17 end of the most recently completed fiscal year;  
18 and

19 “(J) the total number and value of Phase  
20 III awards received by the small business con-  
21 cern.

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

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

3 “(B) submit such report to—

4 “(i) the Committee on Small Business  
5 and Entrepreneurship of the Senate; and

6 “(ii) the Committees on Science,  
7 Space, and Technology and on Small Busi-  
8 ness of the House of Representatives.”.

## 9 **TITLE VI—TECHNICAL CHANGES**

### 10 **SEC. 601. INCLUSION OF SBICS IN THE SBIR AND STTR PRO-** 11 **GRAMS.**

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

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

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

20 (3) in subsection (e)—

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

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

1 (C) by adding at the end the following new  
2 paragraph:

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

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

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

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

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

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