

**AMENDMENT TO RULES COMMITTEE PRINT 115-**

**70**

**OFFERED BY MR. LAWSON OF FLORIDA**

Page 381, after line 9, insert the following:

1 **SEC. 861. COMMERCIALIZATION ASSISTANCE PILOT PRO-**  
2 **GRAM.**

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

6 “(tt) COMMERCIALIZATION ASSISTANCE PILOT PRO-  
7 GRAMS.—

8 “(1) PILOT PROGRAMS IMPLEMENTED.—

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

16 “(B) EXCEPTION.—If the Administrator  
17 determines that a covered agency has a pro-  
18 gram that is sufficiently similar to the commer-  
19 cialization assistance pilot program established

1 under this subsection, such covered agency shall  
2 not be required to implement a commercializa-  
3 tion assistance pilot program under this sub-  
4 section.

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

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

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

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

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

25 “(5) MATCHING FUNDING.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

