

AMENDMENT TO RULES COMMITTEE PRINT 118-

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OFFERED BY MS. HOULAHAN OF PENNSYLVANIA

At the appropriate place in subtitle F of title VIII,
insert the following:

1 **SEC. 8__ . MODIFICATIONS TO COMMERCIALIZATION FOR**
2 **THE SBIR AND STTR PROGRAMS.**

3 (a) IMPROVEMENTS TO COMMERCIALIZATION SELEC-
4 TION.—

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

7 (A) in subsection (g)—

8 (i) in paragraph (4)(B)(i), by striking
9 “1 year” and inserting “180 days”;

10 (ii) in paragraph (16), by striking
11 “and” at the end;

12 (iii) in paragraph (17), by striking the
13 period at the end and inserting “; and”;

14 and

15 (iv) by adding at the end the fol-
16 lowing:

1 “(18) with respect to peer review carried out
2 under the SBIR program, to the extent practicable,
3 include in the peer review—

4 “(A) the likelihood of commercialization in
5 addition to scientific and technical merit and
6 feasibility; and

7 “(B) not less than 1 reviewer with com-
8 mercialization expertise who is capable of as-
9 sessing the likelihood of commercialization.”;

10 (B) in subsection (o)—

11 (i) in paragraph (4)(B)(i), by striking
12 “1 year” and inserting “180 days”;

13 (ii) in paragraph (20), by striking
14 “and” at the end;

15 (iii) in paragraph (21), by striking the
16 period at the end and inserting “; and”;
17 and

18 (iv) by adding at the end the fol-
19 lowing:

20 “(22) with respect to peer review carried out
21 under the STTR program, to the extent practicable,
22 include in the peer review—

23 “(A) the likelihood of commercialization in
24 addition to scientific and technical merit and
25 feasibility; and

1 “(B) not less than 1 reviewer with com-
2 mercialization expertise who is capable of as-
3 sessing the likelihood of commercialization.”;

4 (C) in subsection (cc)—

5 (i) by striking “During fiscal years
6 2012 through 2025, the National Insti-
7 tutes of Health, the Department of De-
8 fense, and the Department of Education”
9 and inserting the following:

10 “(1) IN GENERAL.—During fiscal years 2024
11 through 2029, each Federal agency with an SBIR or
12 STTR program”; and

13 (ii) by adding at the end the fol-
14 lowing:

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

18 “(A) except as provided in subparagraph
19 (B), not more than 10 percent of the total
20 funds allocated to the SBIR and STTR pro-
21 grams of the Federal agency during that fiscal
22 year; and

23 “(B) with respect to the National Insti-
24 tutes of Health, not more than 15 percent of
25 the total funds allocated to the SBIR and

1 STTR programs of the National Institutes of
2 Health during that fiscal year.

3 “(3) EXTENSION.—During fiscal years 2028
4 and 2029, each Federal agency with an SBIR or
5 STTR program may continue phase flexibility as de-
6 scribed in this subsection only if the reports required
7 under subsection (tt)(1) have been submitted to the
8 appropriate committees.”;

9 (D) in subsection (hh)(2)(A)(i), by insert-
10 ing “application process and requirements”
11 after “simplified and standardized”; and

12 (E) by adding at the end the following:

13 “(yy) TECHNOLOGY COMMERCIALIZATION OFFI-
14 CIAL.—Each Federal agency participating in the SBIR or
15 STTR program shall designate a Technology Commer-
16 cialization Official in the Federal agency, who shall—

17 “(1) have sufficient commercialization experi-
18 ence;

19 “(2) provide assistance to SBIR and STTR
20 program awardees in commercializing and
21 transitioning technologies;

22 “(3) identify SBIR and STTR program tech-
23 nologies with sufficient technology and commer-
24 cialization readiness to advance to Phase III awards
25 or other non-SBIR or STTR program contracts;

1 “(4) coordinate with the Technology Commer-
2 cialization Officials of other Federal agencies to
3 identify additional markets and commercialization
4 pathways for promising SBIR and STTR program
5 technologies;

6 “(5) submit to the Administration an annual
7 report on the number of technologies from the SBIR
8 or STTR program that have advanced commer-
9 cialization activities, including information required
10 in the commercialization impact assessment under
11 subsection (aaa);

12 “(6) submit to the Administration an annual
13 report on actions taken by the Federal agency, and
14 the results of those actions, to simplify, standardize,
15 and expedite the application process and require-
16 ments, procedures, and contracts as required under
17 subsection (hh) and described in subsection
18 (aaa)(1)(E); and

19 “(7) carry out such other duties as the Federal
20 agency determines necessary.”.

21 (2) REPORT.—Not later than 1 year after the
22 date of enactment of this section, the Administrator
23 of the Small Business Administration shall submit
24 to the Committee on Small Business and Entrepre-
25 neurship of the Senate and the Committee on Small

1 Business of the House of Representatives summa-
2 rizing the metrics relating to and an evaluation of
3 the authority provided under section 9(cc) of the
4 Small Business Act, as amended by paragraph (1),
5 which shall include the size and location of the small
6 business concerns receiving awards under the SBIR
7 or STTR program.

8 (b) IMPROVEMENTS TO TECHNICAL AND BUSINESS
9 ASSISTANCE; COMMERCIALIZATION IMPACT ASSESSMENT;
10 PATENT ASSISTANCE.—Section 9 of the Small Business
11 Act (15 U.S.C. 638), as amended by subsection (a), is
12 amended—

13 (1) in subsection (q)—

14 (A) in paragraph (1), in the matter pre-
15 ceding subparagraph (A)—

16 (i) by striking “may enter into an
17 agreement with 1 or more vendors selected
18 under paragraph (2)(A)” and inserting
19 “shall authorize recipients of awards under
20 the SBIR or STTR program to select, if
21 desired, commercialization activities pro-
22 vided under subparagraph (A), (B), or (C)
23 of paragraph (2)”; and

1 (ii) by inserting “, cybersecurity as-
2 sistance” after “intellectual property pro-
3 tectiions”;

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

6 “(C) STAFF.—A small business concern
7 may, by contract or otherwise, use funding pro-
8 vided under this section to hire new staff, aug-
9 ment staff, or direct staff to conduct or partici-
10 pate in training activities 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 utilize not more than \$6,500 per project, in-
18 cluded as part of the award of the recipient or
19 in addition to the amount of the award of the
20 recipient as determined appropriate by the head
21 of the Federal agency, for the services described
22 in 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 or achieved through
7 any combination of clauses (i), (ii), and
8 (iii).

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

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

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

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

1 “(iv) provided or achieved through
2 any combination of clauses (i), (ii), and
3 (iii).”; and

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

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

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

10 “(zz) I-CORPS PARTICIPATION.—

11 “(1) IN GENERAL.—Each Federal agency that
12 is required to conduct an SBIR or STTR program
13 with an Innovation Corps (commonly known as ‘I-
14 Corps’) program shall—

15 “(A) provide an option for participation in
16 an I-Corps teams course by recipients of an
17 award under the SBIR or STTR program; and

18 “(B) authorize the recipients described in
19 subparagraph (A) to use an award provided
20 under subsection (q) to provide additional tech-
21 nical assistance for participation in the I-Corps
22 teams course.

23 “(2) COST OF PARTICIPATION.—The cost of
24 participation by a recipient described in paragraph
25 (1)(A) in an I-Corps course may be provided by—

1 “(A) an I-Corps team grant;

2 “(B) funds awarded to the recipient under
3 subsection (q);

4 “(C) the participating teams or other
5 sources as appropriate; or

6 “(D) any combination of sources described
7 in subparagraphs (A), (B), and (C).

8 “(aaa) COMMERCIALIZATION IMPACT ASSESS-
9 MENT.—

10 “(1) IN GENERAL.—The Administrator shall co-
11 ordinate with each Federal agency with an SBIR or
12 STTR program to develop an annual commercializa-
13 tion impact assessment report of the Federal agency,
14 which shall measure, for the 5-year period preceding
15 the report—

16 “(A) for Phase II contracts—

17 “(i) the total amount of sales of new
18 products and services to the Federal Gov-
19 ernment or other commercial markets;

20 “(ii) the total outside investment from
21 partnerships, joint ventures, or other pri-
22 vate sector funding sources;

23 “(iii) the total number of technologies
24 licensed to other companies;

1 “(iv) the total number of acquisitions
2 of small business concerns participating in
3 the SBIR program or the STTR program
4 that are acquired by other entities;

5 “(v) the total number of new spin-out
6 companies;

7 “(vi) the total outside investment
8 from venture capital or angel investments;

9 “(vii) the total number of patent ap-
10 plications;

11 “(viii) the total number of patents ac-
12 quired;

13 “(ix) the year of first Phase I award
14 and the total number of employees at time
15 of first Phase I award;

16 “(x) the total number of employees
17 from the preceding completed year; and

18 “(xi) the percent of revenue, as of the
19 date of the report, generated through
20 SBIR or STTR program funding;

21 “(B) the total number and value of subse-
22 quent Phase II awards, as described in sub-
23 section (bb), awarded for each particular
24 project or technology;

1 “(C) the total number and value of Phase
2 III awards awarded subsequent to a Phase II
3 award;

4 “(D) the total number and value of non-
5 SBIR and STTR program Federal awards and
6 contracts; and

7 “(E) actions taken by the Federal agency,
8 and the results of those actions, relating to de-
9 veloping a simplified and standardized applica-
10 tion process and requirements, procedures, and
11 model contracts throughout the Federal agency
12 for Phase I, Phase II, and Phase III SBIR pro-
13 gram awards in subsection (hh).

14 “(2) PUBLICATION.—A commercialization im-
15 pact assessment report described in paragraph (1) of
16 a Federal agency shall be—

17 “(A) included in the annual report of the
18 Federal agency required under this section; and

19 “(B) published on the website of the Ad-
20 ministration.

21 “(bbb) PATENT ASSISTANCE.—

22 “(1) DEFINITIONS.—In this subsection—

23 “(A) the term ‘Director’ means the Under
24 Secretary of Commerce for Intellectual Property
25 and Director of the USPTO; and

1 “(B) the term ‘USPTO’ means the United
2 States Patent and Trademark Office.

3 “(2) ASSISTANCE.—

4 “(A) IN GENERAL.—The Administrator
5 shall enter into an interagency agreement with
6 the Director under which the Director shall as-
7 sist recipients of an award under the SBIR or
8 STTR program (in this paragraph referred to
9 as ‘SBIR and STTR recipients’) relating to in-
10 tellectual property protection by establishing a
11 prioritized patent examination program for
12 SBIR and STTR recipients.

13 “(B) PROGRAM DETAILS.—The program
14 established by the Director under subparagraph
15 (A) shall have the following characteristics:

16 “(i) The program shall incorporate all
17 existing (as of the date on which the Direc-
18 tor establishes the program) benefits under
19 the procedures for prioritized examination
20 described in section 11(h) of the Leahy-
21 Smith America Invents Act (35 U.S.C. 41
22 note).

23 “(ii) Under the program, with respect
24 to prioritized examination, an SBIR or
25 STTR recipient shall not be required to

1 pay any prioritized examination fee or
2 processing fee otherwise required under
3 section 11(h) of the Leahy-Smith America
4 Invents Act (35 U.S.C. 41 note).

5 “(iii) Under the program, the Director
6 shall ensure that, of the total number of
7 requests for prioritized examination accept-
8 ed by the USPTO in a fiscal year, the
9 greater of the following shall be reserved
10 for prioritized examinations for SBIR and
11 STTR recipients:

12 “(I) 5 percent of the total num-
13 ber of such requests that may be ac-
14 cepted during that fiscal year.

15 “(II) 500 requests for prioritized
16 examination.

17 “(iv) Under the program, the Director
18 may not grant more than 2 prioritized ex-
19 amination requests to any individual recipi-
20 ent.

21 “(v) Under the program, the Director
22 may increase the number of requests for
23 prioritized examination that may be ac-
24 cepted in any fiscal year (as described in
25 section 1.102(e) of title 37, Code of Fed-

1 eral Regulations, or any successor regula-
2 tion) by the number determined under
3 clause (iii) for that fiscal year.

4 “(C) RULES.—The Director shall issue
5 rules to carry out the prioritized patent exam-
6 ination program established under this para-
7 graph.

8 “(3) OUTREACH.—The Administrator shall co-
9 ordinate with the Director to provide outreach re-
10 garding the Pro Se Assistance Program of, and
11 scam prevention services provided by, the USPTO.”.

