

116TH CONGRESS
1ST SESSION

H. R. 3839

To improve commercialization activities in the SBIR and STTR programs,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 2019

Ms. HOULAHAN (for herself and Mr. BALDERSON) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committees on Science, Space, and Technology, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To improve commercialization activities in the SBIR and
STTR 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 “Research Advancing
5 to Market Production for Innovators Act”.

1 **SEC. 2. IMPROVEMENTS TO COMMERCIALIZATION SELEC-**
2 **TION.**

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

5 (1) in subsection (g)—

6 (A) in paragraph (4)(B)(i), by striking “1
7 year” and inserting “180 days”;

8 (B) in paragraph (11), by striking “and”
9 at the end;

10 (C) in paragraph (12), by striking the pe-
11 riod at the end and inserting “; and”; and

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

13 “(13) with respect to peer review carried out
14 under the SBIR program, to the extent practicable,
15 include in the peer review—

16 “(A) the likelihood of commercialization in
17 addition to scientific and technical merit and
18 feasibility; and

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

22 (2) in subsection (o)—

23 (A) in paragraph (4)(B)(i), by striking “1
24 year” and inserting “180 days”;

25 (B) in paragraph (15), by striking “and”
26 at the end;

1 (C) in paragraph (16), by striking the pe-
2 riod at the end and inserting “; and”; and

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

4 “(17) with respect to peer review carried out
5 under the STTR program, to the extent practicable,
6 include in the peer review—

7 “(A) the likelihood of commercialization in
8 addition to scientific and technical merit and
9 feasibility; and

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

13 (3) in subsection (cc)—

14 (A) by striking “During fiscal years 2012
15 through 2022, the National Institutes of
16 Health, the Department of Defense, and the
17 Department of Education” and inserting the
18 following:

19 “(1) IN GENERAL.—During fiscal years 2019
20 through 2024, each Federal agency with an SBIR or
21 STTR program”; and

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

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

1 “(A) except as provided in subparagraph
2 (B), not more than 10 percent of the total
3 funds allocated to the SBIR and STTR pro-
4 grams of the Federal agency during that fiscal
5 year; and

6 “(B) with respect to the National Insti-
7 tutes of Health, not more than 15 percent of
8 the total funds allocated to the SBIR and
9 STTR programs of the National Institutes of
10 Health during that fiscal year.

11 “(3) EXTENSION.—During fiscal years 2023
12 and 2024, each Federal agency with an SBIR or
13 STTR program may continue phase flexibility as de-
14 scribed in this subsection only if the reports required
15 under subsection (tt)(1)(B) have been submitted to
16 the appropriate committees.”;

17 (4) in subsection (hh)(2)(A)(i), by inserting
18 “application process and requirements” after “sim-
19 plified and standardized”; and

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

21 “(vv) TECHNOLOGY COMMERCIALIZATION OFFI-
22 CIAL.—Each Federal agency participating in the SBIR or
23 STTR program shall designate a Technology Commer-
24 cialization Official in the Federal agency, who shall—

1 “(1) have sufficient commercialization experi-
2 ence;

3 “(2) provide assistance to SBIR and STTR
4 program awardees in commercializing and
5 transitioning technologies;

6 “(3) identify SBIR and STTR program tech-
7 nologies with sufficient technology and commer-
8 cialization readiness to advance to Phase III awards
9 or other non-SBIR or STTR program contracts;

10 “(4) coordinate with the Technology Commer-
11 cialization Officials of other Federal agencies to
12 identify additional markets and commercialization
13 pathways for promising SBIR and STTR program
14 technologies;

15 “(5) submit to the Administration an annual
16 report on the number of technologies from the SBIR
17 or STTR program that have advanced commer-
18 cialization activities, including information required
19 in the commercialization impact assessment under
20 subsection (xx);

21 “(6) submit to the Administration an annual
22 report on actions taken by the Federal agency, and
23 the results of those actions, to simplify, standardize,
24 and expedite the application process and require-
25 ments, procedures, and contracts as required under

1 subsection (hh) and described in subsection (xx)(E);
2 and

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

5 (b) REPORT.—Not later than 1 year after the date
6 of enactment of this Act, the Administrator of the Small
7 Business Administrator shall submit to the Committee on
8 Small Business and Entrepreneurship of the Senate and
9 the Committee on Small Business of the House of Rep-
10 resentatives summarizing the metrics relating to and an
11 evaluation of the authority provided under section 9(cc)
12 of the Small Business Act, as amended by subsection (a),
13 which shall include the size and location of the small busi-
14 ness concerns receiving awards under the SBIR or STTR
15 program.

16 **SEC. 3. IMPROVEMENTS TO TECHNICAL AND BUSINESS AS-**
17 **SISTANCE; COMMERCIALIZATION IMPACT AS-**
18 **SESSMENT; PATENT ASSISTANCE.**

19 Section 9 of the Small Business Act (15 U.S.C. 638),
20 as amended by section 2, is amended—

21 (1) in subsection (q)—

22 (A) in paragraph (1), in the matter pre-
23 ceding subparagraph (A)—

24 (i) by striking “may enter into an
25 agreement with 1 or more vendors selected

1 under paragraph (2)(A)” and inserting
2 “shall authorize recipients of awards under
3 the SBIR or STTR program to select, if
4 desired, commercialization activities pro-
5 vided under subparagraph (A), (B), or (C)
6 of paragraph (2)”;

7 (ii) by inserting “, cybersecurity as-
8 sistance” after “intellectual property pro-
9 tectiions”;

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

12 “(C) STAFF.—A small business concern
13 may, by contract or otherwise, use funding pro-
14 vided under this section to hire new staff, aug-
15 ment staff, or direct staff to conduct or partici-
16 pate in training activities consistent with the
17 goals listed in paragraph (1).”;

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

20 “(A) PHASE I.—A Federal agency de-
21 scribed in paragraph (1) shall authorize a re-
22 cipient of a Phase I SBIR or STTR award to
23 utilize not more than \$6,500 per project, in-
24 cluded as part of the award of the recipient or
25 in addition to the amount of the award of the

1 recipient as determined appropriate by the head
2 of the Federal agency, for the services described
3 in paragraph (1)—

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

6 “(ii) provided through a vendor other
7 than a vendor selected under paragraph
8 (2)(A);

9 “(iii) achieved through the activities
10 described in paragraph (2)(C); or

11 “(iv) provided or achieved through
12 any combination of clauses (i), (ii), and
13 (iii).

14 “(B) PHASE II.—A Federal agency de-
15 scribed in paragraph (1) shall authorize a re-
16 cipient of a Phase II SBIR or STTR award to
17 utilize not more than \$50,000 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).”; and

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

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

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

15 “(ww) I-CORPS PARTICIPATION.—

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

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

23 “(B) authorize the recipients described in
24 subparagraph (A) to use an award provided
25 under subsection (q) to provide additional tech-

1 nical assistance for participation in the I–Corps
2 teams course.

3 “(2) COST OF PARTICIPATION.—The cost of
4 participation by a recipient described in paragraph
5 (1)(A) in an I–Corps course may be provided by—

6 “(A) an I–Corps team grant;

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

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 “(xx) COMMERCIALIZATION IMPACT ASSESSMENT.—

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

20 “(A) for Phase II contracts—

21 “(i) the total amount of sales of new
22 products and services to the Federal Gov-
23 ernment or other commercial markets;

1 “(ii) the total outside investment from
2 partnerships, joint ventures, or other pri-
3 vate sector funding sources;

4 “(iii) the total number of technologies
5 licensed to other companies;

6 “(iv) the total number of acquisitions
7 of small business concerns participating in
8 the SBIR program or the STTR program
9 that are acquired by other entities;

10 “(v) the total number of new spin-out
11 companies;

12 “(vi) the total outside investment
13 from venture capital or angel investments;

14 “(vii) the total number of patent ap-
15 plications;

16 “(viii) the total number of patents ac-
17 quired;

18 “(ix) the year of first Phase I award
19 and the total number of employees at time
20 of first Phase I award;

21 “(x) the total number of employees
22 from the preceding completed year; and

23 “(xi) the percent of revenue, as of the
24 date of the report, generated through
25 SBIR or STTR program funding;

1 “(B) the total number and value of subse-
2 quent Phase II awards, as described in sub-
3 section (bb), awarded for each particular
4 project or technology;

5 “(C) the total number and value of Phase
6 III awards awarded subsequent to a Phase II
7 award;

8 “(D) the total number and value of non-
9 SBIR and STTR program Federal awards and
10 contracts; and

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

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

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

23 “(B) published on the website of the Ad-
24 ministration.

25 “(yy) PATENT ASSISTANCE.—

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

2 “(A) the term ‘low bono services’ means
3 services provided at a reduced fee; and

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

6 “(2) ASSISTANCE.—The Administrator shall
7 enter into an interagency agreement with the
8 USPTO to assist recipients of an award under the
9 SBIR or STTR program (in this paragraph referred
10 to as ‘SBIR and STTR recipients’) relating to intel-
11 lectual property protection through—

12 “(A) track one processing, under which the
13 USPTO may—

14 “(i) allocate—

15 “(I) not less than 5 percent or
16 500 track one requests, whichever is
17 greater, per year to SBIR and STTR
18 recipients on a first-come, first-served
19 basis; and

20 “(II) not more than 2 track one
21 requests to an individual SBIR and
22 STTR recipient, to expedite final dis-
23 position on SBIR and STTR program
24 patent applications; and

1 “(ii) waive the track one fee require-
2 ment for SBIR and STTR recipients; and

3 “(B) through the USPTO Patent Pro
4 Bono Program, providing SBIR and STTR re-
5 cipients—

6 “(i) pro bono services if the recipi-
7 ent—

8 “(I) had a total gross income of
9 more than \$150,000 but less than
10 \$5,000,000 in the preceding calendar
11 year, and expects a total gross income
12 of more than \$150,000 but less than
13 \$5,000,000 in the current calendar
14 year;

15 “(II) is not under any obligation
16 to assign the rights to the invention to
17 another entity other than the Federal
18 Government; and

19 “(III) has not previously received
20 USPTO pro bono or low bono serv-
21 ices; or

22 “(ii) low bono services if the recipi-
23 ent—

24 “(I) had a total gross income of
25 more than \$5,000,000 but less than

1 \$10,000,000 in the preceding calendar
2 year, and expects a total gross income
3 of more than \$5,000,000 but less
4 than \$10,000,000 in the current cal-
5 endar year;

6 “(II) is not under any obligation
7 to assign the rights to the invention to
8 another entity other than the Federal
9 Government; and

10 “(III) has not previously received
11 USPTO pro bono or low bono serv-
12 ices.

13 “(3) OUTREACH.—The Administrator shall co-
14 ordinate with the USPTO to provide outreach re-
15 garding the pro se assistance program and scam
16 prevention services of the USPTO.”.

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