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AMENDMENT TO H.R. 2763
OFFERED BY MR. LAWSON OF FLORIDA

At the end of the bill, add the following new section:

1 **SEC. 7. 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
20 under this subsection, such covered agency shall

1 not be required to implement a commercializa-
2 tion assistance pilot program under this sub-
3 section.

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

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

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

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

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

24 “(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.”.

