

AMENDMENT TO H.R. 4783
OFFERED BY Ms. VELÁZQUEZ OF NEW YORK

At the end of the bill add the following:

1 **SEC. 8. COMMERCIALIZATION ASSISTANCE PILOT PRO-**
2 **GRAM.**

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

6 “(uu) 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 Commercializing
12 on Small Business Innovation Act of 2016, a
13 covered agency shall implement a commer-
14 cialization assistance pilot program to award el-
15 igible entities with a second sequential SBIR
16 award.

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

1 cy shall not be required to implement a com-
2 mercialization assistance pilot program under
3 subparagraph (A).

4 “(C) PERCENT OF AGENCY FUNDS.—A
5 covered agency may not use more than 5 per-
6 cent of its total SBIR budget for awards under
7 the commercialization assistance pilot program.

8 “(D) TERMINATION.—The commercializa-
9 tion assistance pilot programs shall terminate
10 on September 30, 2022.

11 “(2) MATCHING REQUIREMENT.—

12 “(A) IN GENERAL.—The Administrator
13 shall require as a condition of any award made
14 to an eligible entity under a commercialization
15 assistance pilot program, that a matching
16 amount (excluding any fees collected from re-
17 cipients of such assistance) equal to the amount
18 of such award be provided from an eligible
19 third-party investor, before the end of the com-
20 mercialization assistance pilot program award.

21 “(B) INELIGIBLE FUNDING.—An eligible
22 entity may not use funding from ineligible
23 sources to meet the matching requirement of
24 subparagraph (A).

25 “(3) AWARD.—

1 “(A) SIZE OF AWARD.—An award under
2 this subsection may not exceed the limitations
3 in subsection (aa)(1).

4 “(B) TIMING.—Awards provided under the
5 commercialization assistance pilot program shall
6 be distributed during the Phase II award period
7 of the recipient eligible entity.

8 “(4) APPLICATION.—In order to be selected to
9 receive a second sequential SBIR award under a
10 commercialization assistance pilot program, an eligi-
11 ble entity shall submit to the covered agency imple-
12 menting such pilot program—

13 “(A) an application at such time, in such
14 manner, and containing such information as the
15 covered agency may require; and

16 “(B) the source and amount of the match-
17 ing funding required under paragraph (2).

18 “(5) USE OF FUNDS.—The funds awarded
19 under a commercialization assistance pilot program
20 may only be used for research and development ac-
21 tivities that build on the eligible entity’s Phase II
22 program and catalyze acceleration towards commer-
23 cialization.

24 “(6) DETERMINATION OF RECIPIENTS.—In de-
25 termining which applicants receive awards under the

1 commercialization assistance pilot program, the head
2 of a covered agency shall consider—

3 “(A) the extent to which the supplemental
4 funds awarded under the pilot program could
5 aid the applicant commercialize its research;

6 “(B) whether the proposed plan provides a
7 sound approach for establishing technical feasi-
8 bility that could lead to commercialization;

9 “(C) whether the proposed activity reflect
10 changes to the Phase II commercialization plan
11 that further improves the chances of conversion
12 of research in order to provide societal benefits;

13 “(D) whether the small business concern
14 has progressed satisfactorily in the Phase II ac-
15 tivity to justify additional funding;

16 “(E) the expectations of the third-party
17 funding; and

18 “(F) the likelihood that the third-party
19 funded activity will lead to commercial and soci-
20 etal benefit.

21 “(7) EVALUATION REPORT.—Not later than 3
22 years after the date of the enactment of Commer-
23 cializing on Small Business Innovation Act of 2016,
24 the Comptroller General of the United States shall
25 submit to the Committee on Science, Space, and

1 Technology and the Committee on Small Business of
2 the House of Representatives and the Committee on
3 Small Business and Entrepreneurship of the Senate
4 an evaluative report that includes—

5 “(A) a summary of the activities of the
6 commercialization assistance pilot programs;

7 “(B) a detailed compilation of results
8 achieved by the commercialization assistance
9 pilot programs, including the number of small
10 business concerns that received awards under
11 the pilot program;

12 “(C) the rate at which the recipients under
13 the pilot program commercialized their re-
14 search;

15 “(D) the growth in employment and rev-
16 enue of companies that participated in the pilot
17 program;

18 “(E) a comparison of commercialization
19 success of pilot program participants and re-
20 cipients of a non-matching sequential Phase II
21 award;

22 “(F) demographic information such as eth-
23 nicity and geographic location of participant
24 companies;

1 “(G) an accounting of the funds used at
2 each participating agency in the pilot program;

3 “(H) a distribution of third-party funding
4 by source;

5 “(I) an analysis of the program’s effective-
6 ness at each participating agency; and

7 “(J) recommendations for improvement to
8 the pilot program, in the case that Congress
9 were to make it permanent.

10 “(8) DEFINITIONS.—For purposes of this sub-
11 section:

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

15 “(B) ELIGIBLE ENTITY.—The term ‘eligi-
16 ble entity’ means a small business concern that
17 has received a Phase II award and a Phase II
18 sequential award from the covered agency to
19 which such entity is applying for a second se-
20 quential SBIR award.

21 “(C) ELIGIBLE THIRD-PARTY INVESTOR.—
22 The term ‘eligible third-party investors’ means
23 a small business concern other than the eligible
24 entity, a venture capital firm, an individual in-

1 investor, a non-SBIR Federal, State or local gov-
2 ernment, or any combination thereof.

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

5 “(i) The awardee’s internal research
6 and development funds.

7 “(ii) Funding in forms other than
8 cash such as in-kind or other intangible as-
9 sets.

10 “(iii) Funding from the owners of the
11 eligible entity, or the family members or
12 affiliates of such owners.

13 “(iv) Funding attained through loans
14 or other forms of debt obligations.”.

