



***The Department of Defense Small Business
Innovation Research Commercialization Pilot
Program Overview***

***Beyond SBIR Phase II: Bringing Technological Edge
to the Warfighter***

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DoD SBIR/STTR Program Administrator
OUSD(AT&L)/OSBP

August 21, 2007



Section 252 of NDAA for FY06: Commercialization Pilot Program (CPP)

- CPP intended “to accelerate the transition of technologies, products and services developed under SBIR to Phase III, including the acquisition process”
 - Authorization explicitly granted to SECDEF & Secretary of each military department, 4-year duration
- Identify SBIR programs with rapid transition potential
- Annual report to Small Business and Armed Services committees of both the House and Senate
- Authorizes use of up to 1% of SBIR set-aside funds to support the CPP administration

This legislation focuses on the perennial challenge of improving technology transition—and provides unique opportunity to experiment.



USD(AT&L) Goals seek enabling technologies...and robust supplier base



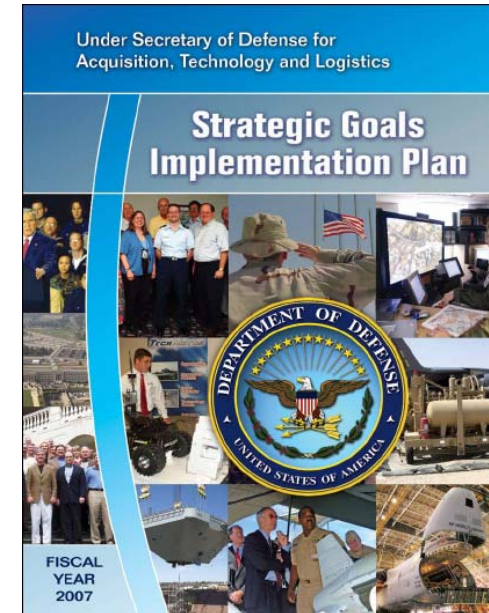
Acting USD (AT&L)
The Honorable Mr. John Young



DUSD (A&T)
The Honorable Dr. Jim Finley

3 (of 7) AT&L Goals:

- Focused Technology
- Reliable and Cost-effective Industrial Capabilities
- Strategic & Tactical Acquisition Excellence



www.acq.osd.mil/goals

Small businesses are critical for the Department to provide future technologies to enable priority-critical warfighting capabilities.



The Fundamental SBIR Management Challenge

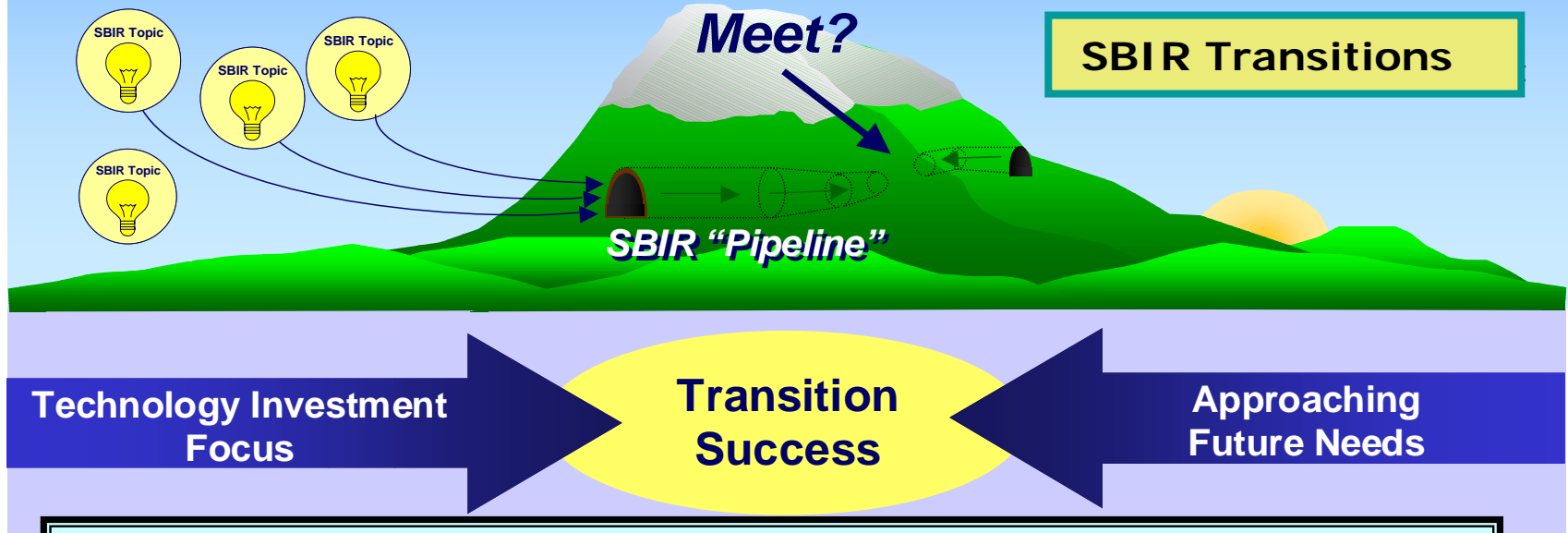
“Digging to the Future”

*Today's
Technology Ideas &
Investments*

*Future
Combat Capability
Needs*

*Will The “Tunnels”
Meet?*

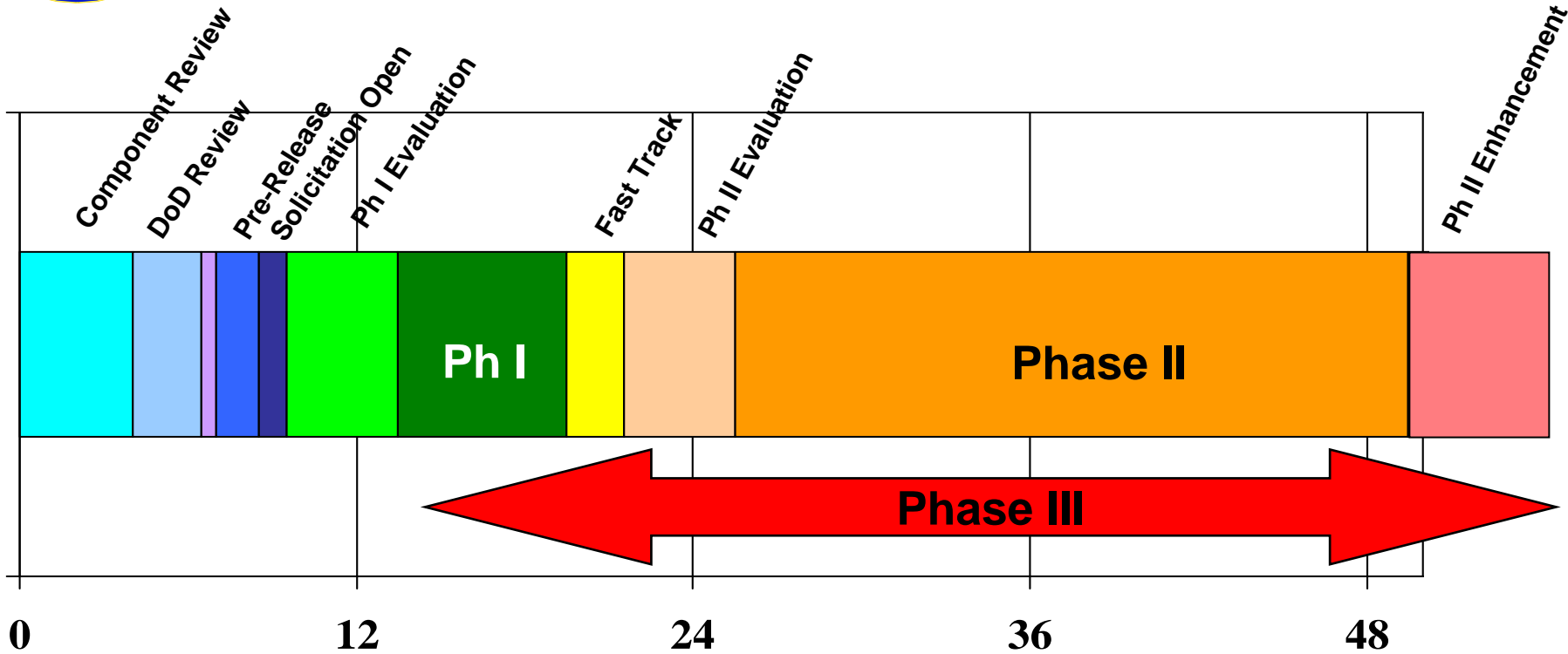
SBIR Transitions



Transition success hinges upon strategically aligning technology investment with future capability needs.



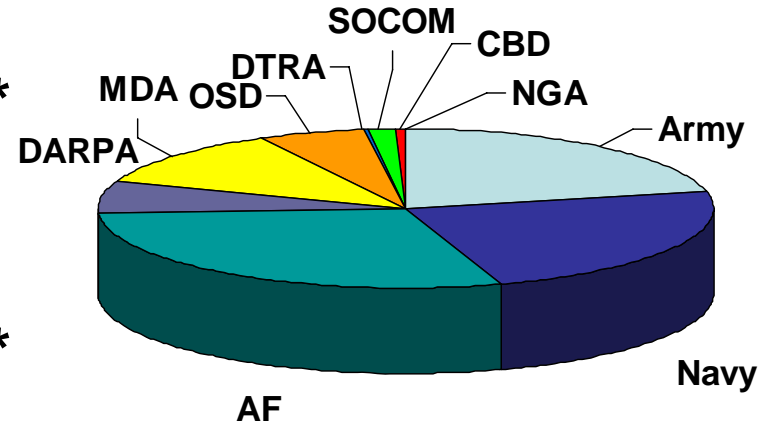
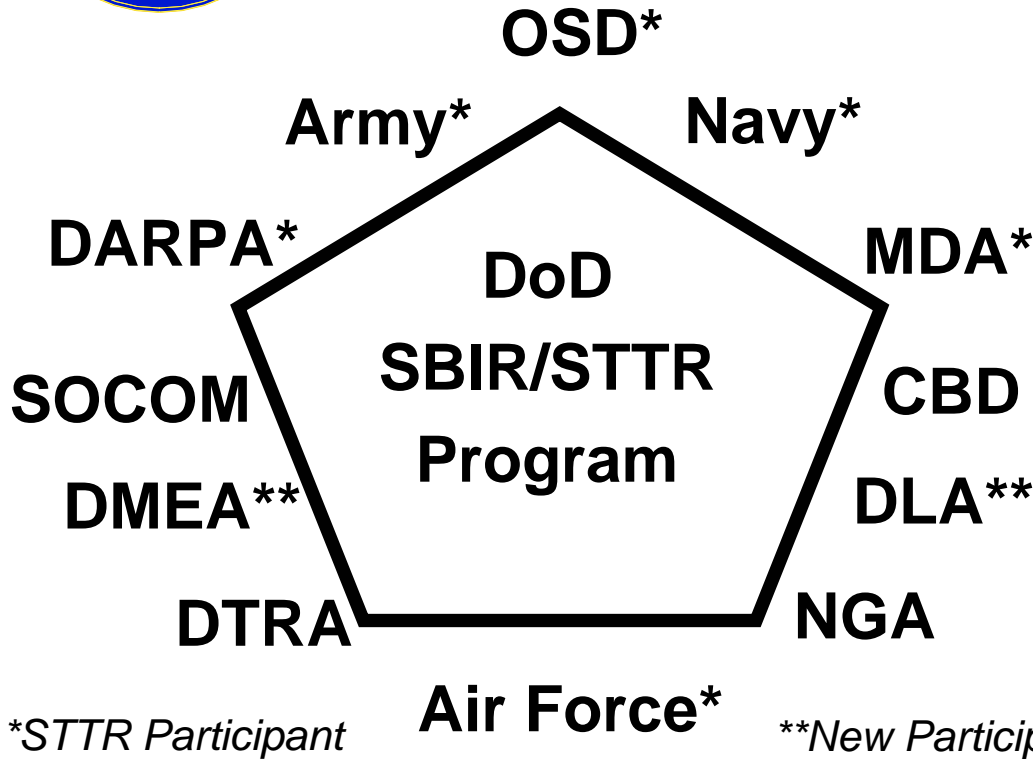
SBIR Program is deceptively Complex...



CPP enables rapid value extraction, from any phase of program execution.



DoD SBIR/STTR Program Organization Drives Implementation Approach



The DoD SBIR Program has twelve participating components, STTR has six—Military Departments comprise over 75% of budget.



CPP Implementation: Initial USD(AT&L) Direction

June 27, 2006 USD(AT&L)

Memo

- Requests 3 MILDEP Secretaries develop and implement CPPs
- Report plans and initial priority list to OSD by mid-September '06
- Support "Beyond Phase II" SBIR technology transition conference
- Make institutional and process changes required to improve SBIR program effectiveness



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

JUN 27 2006

MEMORANDUM FOR SECRETARY OF THE ARMY
SECRETARY OF THE NAVY
SECRETARY OF THE AIR FORCE

SUBJECT: Small Business Innovation Research (SBIR) Program

Section 252 of the National Defense Authorization Act for Fiscal Year 2006, Public Law No. 109-163 (NDA), contains several provisions regarding the Small Business Innovation Research (SBIR) program. Among other things, section 252 modifies section 9 of the Small Business Act (15 U.S.C. 638), to add a new subsection 9(y) that authorizes a Commercialization Pilot Program (CPP) under the Secretary of Defense and the Secretary of each Military Department. To fund the administrative cost of such a pilot program, but not fund Phase III awards, section 9(y) authorizes use of up to an amount equal to 1% of the SBIR set-aside budget.

The purpose of the CPP is to accelerate the transition of SBIR-funded technologies to Phase III—specifically into systems being developed, acquired and maintained for the warfighter. This can be done through activities that enhance the connectivity among SBIR-firms, prime contractors, and DoD science & technology and acquisition communities. It can also be accomplished by improving a SBIR-firm's capability to provide the identified technology to the Department, directly or as a subcontractor. Since leveraging the SBIR program to meet identified technology needs is a goal of the Department, I request that you develop a CPP utilizing this new authority.

Section 9(y) requires the identification of SBIR research projects with the potential for rapid transition to Phase III, and the Secretary of the Military Department concerned certify in writing that the successful transition of the research program into Phase III and the acquisition process is expected to meet high priority military needs of the Department. To accomplish this effectively, I request that you conduct a portfolio review of recent SBIR Phase II projects to identify technologies with the greatest potential to meet known technology needs of programs of record. Current SBIR policy requires that at least 50% of SBIR topics have acquisition community endorsement or sponsorship. Since this endorsement or sponsorship should be derived from an identified need, awards resulting from these topics should be a good place to start. Please provide this list of projects, the programs to which you expect them to transition, and a description of the portfolio review process you use to identify high potential SBIR Phase II projects to the Office of Small Business Programs by September 15, 2006. Additionally, please provide at that time the details of your CPP plans, including the

amount of funds employed to support the CPP, how you intend to use the funding authority, to include activities and incentives you plan to employ to facilitate the transition, and what results you expect to achieve.

To aid identification of SBIR technologies with the highest transition potential, the Department will sponsor an annual "Beyond Phase II" conference in early 2007 to bring together recent SBIR Phase II award winners with major prime contractors and DoD system developers and acquirers. This will allow you and system contractors to survey directly SBIR Phase II award technologies from across the Department as well as from within your Component to identify those that meet a need. We will explore the development of activities adjunct to the annual conference to expand it as a tool to enable successful technology transition. I request your full support of this event.

The SBIR Program has long been a source of innovation—we must make it serve the warfighter better. Beyond the above actions in response to the new section 9(y) of the Small Business Act, it is important to improve how the SBIR program is implemented and used within our institutions. We must identify and proliferate best practices to be sure we are developing the right technologies and effectively transitioning them. This means ensuring we are generating and funding the right projects, employing the right incentives, and leveraging all available technology transition tools. I request your personal support and attention to accomplish this. My office has recently been asked by the Senate and House Small Business Committees to report on our progress. Mr. Frank Ramos, Director of Small Business Programs on my staff, will be contacting you for support in developing a status report.

cc:
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARY OF THE ARMY (ACQUISITION, LOGISTICS
AND TECHNOLOGY)
ASSISTANT SECRETARY OF THE NAVY (RESEARCH, DEVELOPMENT AND
ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)

Requests MILDEPs make firm link between S&T and acquisition communities to address high priority military needs.



CPP Implementation, Cont'd: Further USD(AT&L) Direction

**July 12, 2007 Acting
USD(AT&L) Memo**

- Encourages remaining DoD SBIR Components to develop and implement CPPs
- Report plans and initial priority list to OSD by early October '07
- Support "Beyond Phase II" SBIR technology transition conference
- Make institutional and process changes required to improve SBIR program effectiveness



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

JUL 12 2007

ACQUISITION
TECHNOLOGY
AND LOGISTICS

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF DEFENSE (SCIENCE & TECHNOLOGY)
DIRECTOR, DEFENSE ADVANCED RESEARCH PROJECTS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
U.S. SPECIAL OPERATIONS COMMAND
(ATTN: ACQUISITION EXECUTIVE)
DIRECTOR, JOINT SCIENCE AND TECHNOLOGY OFFICE FOR CHEMICAL AND BIOLOGICAL DEFENSE
DIRECTOR, DEFENSE MICROELECTRONICS ACTIVITY

SUBJECT: Establishment of Small Business Innovation Research (SBIR) Program Commercialization Pilot Program (CPP)

Section 252 of the National Defense Authorization Act (NDAA) for FY 2006, Public Law No. 109-163, contains several provisions regarding the SBIR Program. Section 252 modifies Section 9 of the Small Business Act (15 U.S.C. 638) to add a new subsection 9(y) that authorizes a Commercialization Pilot Program (CPP) under the Secretary of Defense and the Secretaries of the Military Departments through FY 2009. Under the authority granted to the Secretary of Defense, this authority extends to all DoD components participating in the SBIR program. To fund the administrative cost of such a pilot program, but not fund Phase III awards, Section 9(y) authorizes use of up to an amount equal to 1 percent of the SBIR set-aside budget. Additionally, Section 9(a) of the Small Business Act authorizes discretionary technical assistance to firms receiving SBIR contracts.

The purpose of the CPP is to accelerate the transition of SBIR-funded technologies to Phase III - specifically into systems being developed, acquired, and maintained for the Warfighter. This can be done through activities that enhance the connectivity among SBIR-firms, prime contractors, and DoD science & technology and acquisition communities. It can also be accomplished by improving a SBIR-firm's capability to provide the identified technology to the Department, directly or as a subcontractor. We encourage you to develop a CPP under this new authority customized to meet your requirements.



Section 9(y) requires the identification of SBIR research projects with the potential for rapid transition to Phase III, and certification in writing that the successful transition of the research program into Phase III and the acquisition process is expected to meet high priority military needs of the Department. Should you use the authority, by October 5, 2007, please provide to the Office of Small Business Programs a description of your CPP plans, specifically addressing the identification process you intend to use and the tools you plan to employ to accelerate transition. If you obligate any SBIR CPP funding before this time, please also report the amount used and the details characterizing its employment.

To help you identify SBIR technologies with the highest transition potential and leverage other DoD SBIR investments, the Department is providing support to a National Defense Industrial Association-sponsored conference, "Beyond SBIR Phase II: Bringing Technological Edge to the Warfighter," August 20-21, 2007. This conference will bring together recent SBIR Phase II award winners with major prime contractors and DoD system developers and acquirers. It will also allow you and system contractors to survey directly SBIR Phase II award technologies from across the Department as well as from within your Component to identify those that meet your program requirements. We recommend you consider also providing this event support, including your participation and that of your relevant key technologists, system developers or acquirers.

The SBIR Program has long been a source of innovation. We must continue to make it serve the Warfighter better. Beyond the above actions in response to the new Section 9(y) of the Small Business Act, it is important to improve how the SBIR program is implemented and used within our institutions. We must work collaboratively to be sure we are developing the right technologies and effectively transitioning them. This means ensuring we are generating and funding the right projects, employing the right incentives, and leveraging all available technology development and transition tools and mechanisms. Your personal support and attention to addressing this legislation and improving the impact of the SBIR Program are appreciated.

cc:
CJCS
DDR&E

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Encourages *customized* utilization of CPP authority...and collaboration to develop and transition technologies needed by the warfighter.



Today's Panel and its Purpose

- Participants:
 - Army: Susan Nichols, SBIR Program Manager, RDECOM
 - Navy: John Williams, SBIR/STTR and T2 Programs Director, ONR
 - Air Force: Richard Flake, AF Senior Planner and CPP Manager, AFRL
- Key goals:
 - Describe CPP Vision
 - Provide insight into CPP Processes
 - Characterize Preferred Candidate for CPP



Back-ups
