



SBIR and Congress: Where We Stand Today

7 December 2021

SECDEF Comments on SBIR and Innovation at the Reagan National Defense Forum



- On Saturday Secretary of Defense Lloyd Austin highlighted the fact “Innovation lies at the heart of American security.” Stating for too long it’s been too hard for DOD innovators to work with the department and barriers to entry are too steep
- He recognized the Valley of Death where some get stuck, but others don’t want to try to cross it.
- He expressed support for Defense Innovation Hubs- from Austin to Boston to help connect the Department with new talent who will help us compete and win, while making it easier for companies to safely cross the valley of death.
- His call to action is for businesses large and small to join with DoD, work with them to help keep our country strong. Innovation in America he said is rooted in an open society and creativity of an open mind.
- When we maintain our technical edge, we retain our military edge.

Hill Engagement on SBIR



- **As a non-profit NDIA's greatest strength on the Hill is being an honest broker. We are not lobbyists, however we have dedicated much of our annual lobbying allotment to the reauthorization and permanency for SBIR.**
- **Historically, The SBIR program has been reauthorized and extended multiple times since its creation, including in 1992 when Congress passed the Small Business Research and Development Enhancement Act, in 2000 when the program was reauthorized by the Small Business Reauthorization Act of 2000, and in 2011 through the National Defense Authorization Act for Fiscal Year 2012. Most recently, the 2017 NDAA extended SBIR and related programs through September 2022.**

Senate Proposed Amendments



- **Permanency of SBIR and STTR Programs (Shaheen)**
- **Five Year Reauthorization of SBIR and STTR Program (Cardin and Reed)**
- **Report on Foreign Investment in SBIR and STTR Firms (Rubio)**
- **Commercialization Activities in the SBIR and STTR Programs (Coons)**

- **Unfortunately these provisions were not in the amendments included by the Senate in their consideration of the NDAA.**

House Provisions Related to SBIR:



- House NDAA:
- **SEC. 218. PILOT PROGRAM ON THE USE OF INTERMEDIARIES TO CONNECT THE DEPARTMENT OF DEFENSE WITH TECHNOLOGY PRODUCERS.**

Establishes a pilot program to foster the transition of the science and technology programs, projects, and activities of the Department of Defense from the research, development, pilot, and prototyping phases to full-scale implementation.

Under the pilot program, the Secretary shall seek to enter into agreements with qualified intermediaries (*Small Businesses via SBIR/STTR*) pursuant to which the intermediaries will— match technology producers with programs, projects, and activities of the Department that may have a use for the technology developed by such producers; and (2) provide technical assistance to such technology producers on participating in the procurement programs and acquisition processes of the Department.

- **SEC. 841. MODIFICATION OF PILOT PROGRAM FOR DEVELOPMENT OF TECHNOLOGY-ENHANCED CAPABILITIES WITH PARTNERSHIP INTERMEDIARIES.**

The Secretary of Defense may authorize the Commander of the United States Special Operations Command to use funds described in subsection (b) for a pilot program under which the Commander shall make, through the use of a partnership intermediary, covered awards to small business concerns to develop technology-enhanced capabilities for special operations forces.

- **SEC. 842. DESIGNATING CERTAIN SBIR AND STTR PROGRAMS AS ENTREPRENEURIAL INNOVATION PROJECTS.**

The Secretary of Defense and the covered Secretaries concerned shall each establish and carry out a pilot program to more effectively transition projects that have completed a Phase II SBIR or STTR award and that present the potential to meet operational needs of elements of the Department of Defense to Phase III by designating eligible programs as Entrepreneurial Innovation Projects.

How NDIA is Advocating for You Beyond Reauthorization:



Enforce compliance:

- **The Defense Department, accounted for 42 percent of SBIR spending in fiscal year 2018, had several components that did not comply, including the Air Force, Army, Missile Defense Agency, Defense Health Agency, Joint Task Force on Chemical and Biological Defense and the Office of the Secretary of Defense. In addition, the Small Business Administration was unable to determine whether the Navy complied with requirements.**

Bridge the gap between Phase II contracts and programs of record

- **A permanent authority would allow for authorizations that have previously been underutilized by the government, such as Section 1710 of the 2018 NDAA. This section authorizes a contract vehicle that would provide a pilot program for subsequent work from Phases I and II, allowing for a more standardized Phase III.**

How You Can Support



- NDIA's Strategy and Policy Team is here to represent the interests of our members...big and small
- We value your input and take pride in being the tip of the spear for the organization's engagement with Congress
- Happy to Answer any questions...
- Legislative Team contacts are Kea Matory, kmatory@ndia.org or Heath Taylor, htaylor@ndia.org

Thank you for your continued support!

