

WASHINGTON - United States Senators Mary L. Landrieu, D-La., Chair of the Senate Committee on Small Business and Entrepreneurship, and Olympia Snowe, R-Maine, Ranking Member, brokered a comprehensive, 8-year reauthorization to the Small Business Innovation Research (SBIR) and Small Business Technical Transfer (STTR) programs. The programs have been running on seven short-term extensions since October 1, 2008.

"The SBIR and STTR programs are some of the most effective public-private partnerships in the federal government and a model for other countries," Chair Landrieu said. "For years, the programs' futures were in jeopardy, but this deal with the Small Business Technology Coalition and the Biotechnology Industry Organization adds needed stability and support for entrepreneurs with an innovative idea and for the Department of Defense and other agencies that partner with small businesses to develop technologies for our country. This is a good compromise that preserves the integrity of the programs as truly for small businesses."

"After several years of vigorous discussion and debate, I am pleased that Chair Landrieu and I are able to announce that this unprecedented, landmark compromise measure to reauthorize the SBIR and STTR programs has passed the full Senate," said Senator Snowe. "First and foremost, this compromise preserves these critical programs as small business initiatives - a central tenet that I have always considered essential to any agreement. At the same time, the legislation allows for limited participation in the SBIR program by majority venture capital backed firms. Additionally, this reauthorization legislation provides the SBIR and STTR programs with critical allocation and award size increases, and by extending the programs for eight years, it provides small businesses applying to these programs, which award roughly \$2 billion annually to small high-tech firms nationwide, with certainty for the future."

Under the current agreement, the SBIR and STTR programs would be extended for eight years, through 2018. The reauthorization includes several changes to the programs, including:

- \* Makes firms majority owned and controlled by multiple venture capital firms eligible for up to 25 percent of the SBIR funds at National Institutes of Health, National Science Foundation, and Department of Energy and up to 15 percent of the funds at the other eight agencies;
- \* Increases award levels to \$150,000 for Phase I and \$1 million for Phase II for SBIR and STTR; and
- \* Establishes annual increases for inflation to keep award levels realistic for r&d costs.
- \* Increases the SBIR program allocation by one percent, from 2.5 to 3.5 percent, at all agencies, including the NIH, spread out over ten years;
- \* Increases the STTR program allocation from .3 percent to .6 percent over six years;

\* Allows for up to 3 percent of the SBIR allocation for administrative, oversight and processing costs if there is an allocation increase.

\* Reauthorizes and enhances the Federal and State Technology Partnership program, or FAST program, that have been very effective at increasing the participation of rural small business in Federal research and development and the start-up of high-tech firms;

\* Streamlines and improves data collection and reporting requirements for the SBIR and STTR programs, including developing metrics for annual evaluations by each participating agency, as reflected in the amendment by Dr. Coburn; and

\* Increases oversight and fraud prevention.