

Policy for the DoC's Implementation Plan for Executive Order 13329 "Encouraging Innovation in Manufacturing"

Background: On February 26, 2004, Executive Order (EO) [13329](#) was signed by President George W. Bush requiring Small Business Innovation Research (SBIR) agencies, to the extent permitted by law and in a manner consistent with the mission of that department or agency, to give high priority within the SBIR programs to manufacturing-related research and development (R&D). "Manufacturing-related" is defined as "relating to manufacturing processes, equipment and systems; or manufacturing workforce skills and protection."

E.O. 13329 is intended to help ensure that Federal agencies properly and effectively assist the private sector in its manufacturing innovation so as to sustain a strong manufacturing sector in the United States economy by advancing innovation, including innovation in manufacturing, through small businesses. The Small Business Administration (SBA) requires each Agency with an SBIR program to develop a written policy on the implementation of E.O. 13329. This policy shall be developed in consultation with SBA and describe the processes and techniques to be employed "to give high priority within such programs to manufacturing-research and development to advance the policy set forth in Section 1 of E.O. 13329.

Proposed Policy on Implementation of EO 13329: The National Oceanic and Atmospheric Administration (NOAA) and the National Institute of Standards and Technology (NIST) are the two agencies that participate in the Department of Commerce's Small Business Innovation Research Program (DOC/SBIR). NOAA and NIST manage separate SBIR programs. They have a separate annual Solicitation, separate funding and a separate review and award process. In addition, their missions are very different and for that reason NOAA and NIST will be submitting separate proposed policy under one Department Implementation plan.

NOAA's Mission: To understand and predict changes in the Earth's environment and conserve and manage coastal and marine resources to meet our Nation's economic, social, and environmental needs.

NIST's Mission: To develop and promote measurement, standards, and technology to enhance productivity, facilitate trade, and improve the quality of life.

NOAA's Implementation Plan: NOAA has developed the following policy on the implementation of E.O. 13329. Five specific areas are described: 1) Outreach to raise awareness; 2) Emphasizing new funding opportunities for manufacturing-related research; 3) Award selection; 4) Tracking of manufacturing-related SBIR awards; and 5) Reporting. These areas are described in more detail below:

1) Outreach: Raise awareness of the EO to Small Business Community

Target Dates/Milestones:

July 2004	Establish a link on the Office of Research and Technology Applications SBIR website highlighting EO 13329 and linking to the “Manufacturing in America” DOC: http://www.commerce.gov/DOC_MFG_Report_Complete.pdf
October 2004	Coordinate with other SBIR agencies and the NIST Manufacturing Extension Partnership (MEP) program to include a specific session on manufacturing at the National SBIR Conference to be held in Boise, Idaho in November 2004.

2) Emphasize Funding Opportunities for Manufacturing-related Research

Target Dates/Milestones:

April 2004	Met with NOAA’s SBIR Working Group to discuss ways to promote and emphasize funding opportunities for manufacturing-related research.
May 2004	SBIR Working Group tasked with researching avenues to incorporate manufacturing into their subtopics for the FY 2005 Solicitation and to identify these subtopics with an “M”.
October 2004	Include a statement in NOAA’s SBIR Solicitation that will read “Encourage innovation in manufacturing by giving high priority, where feasible, to projects that can help the manufacturing sector through technological innovation in a manner consistent with the NOAA mission”.

3) Award Selection

May 2005	Where appropriate, NOAA will use manufacturing-related projects as a “tie-breaker” in the award selection process.
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4) Tracking of Manufacturing-related SBIR Awards

Target Dates/Milestones:

August 2004

Using the SBA Tech Net Data Base, run baseline of awards (average of awards made FY 2001-2003) by searching abstracts that contain SBA issued manufacturing-related terms relevant to NOAA.

5) Reporting

Target Dates/Milestones:

September 2004

In consultation with SBA, establish baseline (average of FY01, FY02, FY03) of manufacturing-related research projects funded by NOAA.

Mar 2005

Submit to SBA, as part of the agency's Annual Report, all Phase I and Phase II awards related to manufacturing. The report shall contain:

- the total number of the agency's current manufacturing-related SBIR awards separated into Phase I and Phase II;
- the total dollar value of the agency's current manufacturing-related SBIR separated into Phase I and Phase II;
- the number of firms associated with those awards and the number of employees in the firm and if they intend to hire any additional staff as a result of the SBIR award, if available;
- case studies or success stories that illustrate the beneficial impact the SBIR have on U.S. manufacturing.
- the agency's % of increase over the baseline of manufacturing-related SBIR projects, separated into Phase I and Phase II; and
- any other significant actions NOAA may have taken to advance and give high priority to manufacturing-related research and development
- a description of how NOAA is tracking the success of these measures.

NIST's Implementation Plan: NIST has developed the following policy on the implementation of E.O. 13329. Five specific areas are described: 1) Outreach to raise awareness; 2) Emphasizing new funding opportunities for manufacturing-related research; 3) Award selection; 4) Tracking of manufacturing-related SBIR awards; and 5) Reporting. These areas are described in more detail below:

1) Outreach: Raise awareness of the EO to Small Business Community

Target Dates/Milestones:

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| July 2004 | Establish a link on the NIST SBIR website highlighting EO 13329 and linking to it and to the "Manufacturing in America" DOC:
http://www.commerce.gov/DOC_MFG_Report_Complete.pdf |
| October 2004 | Pilot a program to provide MEP Center local contacts to small businesses that submitted FY04 unfunded proposals. Additionally, provide a summary of proposed, unfunded R&D (non-proprietary) to MEP Centers that correspond to the geographic location of the proposing small business for follow-up and networking. This pilot will encourage continuation of development of manufacturing project proposals with direct technical and/or business support provided by local MEP Center experts, as feasible. |
| October 2004 | Coordinate with other SBIR agencies and the NIST Manufacturing Extension Partnership (MEP) program to include a specific session on manufacturing at the National SBIR Conference to be held in Boise, Idaho in November 2004. |

2) Emphasize Funding Opportunities for Manufacturing-related Research

Target Dates/Milestones:

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| July 2004 | Discuss with NIST's SBIR Selection Committee ways to promote and emphasize funding opportunities for manufacturing-related research. Add an MEP representative to the NIST SBIR Selection Committee to advise. |
| August 2004 | Task the SBIR Selection Committee with increasing the focus on manufacturing R&D in the subtopics for the FY05 SBIR Solicitation accordance with NIST mission. |

September 2004 Task NIST MEP with reviewing prospective NIST SBIR subtopics with NIST SBIR Program Manager for possible redraft to further emphasize manufacturing sector potential opportunities.

October 2004 Include a statement in NIST's SBIR Solicitation that will read "Encourage innovation in manufacturing by giving high priority, where feasible, to projects that can help the manufacturing sector through technological innovation in a manner consistent with the NIST mission. NIST will use manufacturing-related projects as a tie-breaker in the award selection process while balancing proposal merit and concordance with NIST mission."

3) Award Selection

May 2005 NIST will use manufacturing-related projects as a tie-breaker in the award selection process while balancing proposal merit and concordance with NIST mission.

June 2005 Each SBIR manufacturing-related award will be assigned an MEP "co-Technical Representative" to act as an advisor to the small business. The Manufacturing Advisor will be located at the MEP Center corresponding to the geographic location of the small business and will be an expert in the specific type of manufacturing needs/gaps identified for the R&D.

4) Tracking of Manufacturing-related SBIR Awards

Target Dates/Milestones:

August 2004 In cooperation with MEP, identify specific SBIR projects from FY01 to FY03 that match the SBA-issued manufacturing criteria.

5) Reporting

Target Dates/Milestones:

September 2004 Cooperate with MEP to identify projects, and in consultation with SBA, establish baseline (average of FY01, FY02, FY03) of manufacturing-related research projects funded by NIST.

Mar 2005 Submit to SBA, as part of the agency's Annual Report, all Phase 1 and Phase 2 awards related to manufacturing. The report shall contain:

- the total number of the agency's current manufacturing-related SBIR awards separated into Phase 1 and Phase 2;
- the total dollar value of the agency's current manufacturing-related SBIR separated into Phase 1 and Phase 2;
- the number of firms associated with those awards and the number of employees in the firm and if they intend to hire any additional staff as a result of the SBIR award, if available;
- case studies or success stories that illustrate the beneficial impact the SBIR have on U.S. manufacturing.
- the agency's % of increase over the baseline of manufacturing-related SBIR projects, separated into Phase 1 and Phase 2; and
- any other significant actions NIST may have taken to advance and give high priority to manufacturing-related research and development
- a description of how NIST is tracking the success of these measures.