

ACQUISITION & TECHNOLOGY THE WILL TO CHANGE

TECHNOLOGICAL INNOVATION

Through Small Businesses

Two Programs Fund R&D

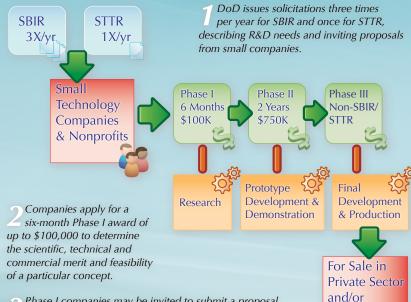
The Department of Defense (DoD) Small Business Innovation Research (SBIR) Program was established in 1982 to fund research and development (R&D) projects at small technology companies. Eligible projects must serve a DoD need and have the potential for commercialization in private sector and/or military markets. DoD's SBIR program is part of the larger federal SBIR program administered by 11 federal agencies.

Congress initially established the Small Business Technology Transfer (STTR) program on a pilot basis in 1992. It is similar in structure to SBIR but funds cooperative R&D projects between small businesses and nonprofit research institutions (such as universities) to move research to market.

At A Glance

PROGRAM	ESTABLISHED	FY07 BUDGET
Federal SBIR	1982 (Public Law 97-219)	\$2.2B (approx.)
DoD SBIR	1982 (Public Law 97-219)	\$1.13B
STTR	1992 (Public Law 302-564)	\$132M

The Process



Phase I companies may be invited to submit a proposal for a two-year Phase II award of up to \$750,000 to further develop the concept, usually to the prototype demonstration stage. Proposals are judged competitively on the basis of scientific and technical merit, qualifications of the company and commercial potential.

Following completion of Phase II, companies are expected to obtain Phase III (non-SBIR/STTR) funding from the private sector and/or government sources, to further develop the concept into a product for sale in private sector and/or military markets.

Funding

DoD is required by law to allocate 2.5 percent of its extramural research, development, test and evaluation (RDT&E) budget in each fiscal year, to fund R&D projects with small businesses through the SBIR program. The following DoD components have SBIR programs: Air Force, Army, Navy, Missile Defense Agency (MDA), Defense Advanced Research Projects Agency (DARPA), Joint Science and Technology Office for Chem-Bio Defense (CBD), Defense Threat Reduction Agency (DTRA), Office of the Secretary of Defense (OSD) run by the Director of Defense Research and Engineering (DDR&E), Special Operations Command (SOCOM), Defense Logistics Agency (DLA), Defense Microelectronics Activity (DMEA) and National Geospatial Agency (NGA).

DoD allocates 0.3 percent of its RDT&E budget to fund the STTR program. The Air Force, Army, Navy, MDA, DARPA and OSD (DDR&E) all participate in STTR.

Any individual component agency with more than \$100 million in extramural RDT&E funds is delegated responsibility for assessing and allocating SBIR funding and awards. The same is true of STTR awards for DoD components with over \$1 billion in extramural RDT&E funds. Each component is responsible for implementing an effective program to leverage the benefits of small business innovation for their constituent Warfighter, consistent with their mission.

Military

Markets