



# EPA's Small Business Innovation Research (SBIR) Program

The Environmental Protection Agency (EPA) is one of 11 federal agencies that participates in the SBIR Program established by the Small Business Innovation Development Act of 1982. The purpose of this Act was to strengthen the role of small businesses in federally funded R&D and help develop a stronger national base for technical innovation. **An SBIR small business is defined as a for-profit organization with no more than 500 employees.** In addition, the small business must be independently owned and operated, at least 51 percent owned by U.S. citizens or lawfully admitted resident aliens, not dominant in the field of operation in which it is proposing, and have its principal place of business in the United States. Joint ventures and limited partnerships are eligible for SBIR awards, provided the entity created qualifies as a small business.

EPA issues annual solicitations for Phase I and Phase II research proposals from science and technology-based firms. Under Phase I, the scientific merit and technical feasibility of the proposed concept is investigated. EPA awards firm-fixed-price Phase I contracts of up to \$70,000 for 6 months. Through this phased approach to SBIR funding, EPA can determine whether the research idea, often on high-risk advanced concepts, is technically feasible, whether the firm can do high-quality research, and whether sufficient progress has been made to justify a larger Phase II effort.

Phase II contracts are limited to small businesses that have successfully completed their Phase I contracts. The objective of Phase II is to develop and commercialize the Phase I technology. Competitive awards are based on the results of Phase I and the commercialization potential of the Phase II technology. In Phase II, EPA awards contracts of up to \$225,000 for two years. EPA also offers up to \$120,000 and one additional year as Phase II Options for firms with third party financing for accelerating commercialization or for technologies accepted into an EPA technology verification program.

**EPA's next Phase I Solicitation opens in March, 2009.** Solicitations include a description of the SBIR Program, application requirements and research topics and are posted on the National Center for Environmental Research (NCER) Web Site at:

[www.epa.gov/ncer/sbir](http://www.epa.gov/ncer/sbir)

