



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

OFFICE OF INVESTMENT AND INNOVATION

Date: January 30, 2012
To: SBIR Program Managers
From: Sean J. Greene 
Subject: Reauthorization of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs

On December 31, 2011, the President signed into law the National Defense Reauthorization Act of 2012 (Defense Reauthorization Act), P. L. 112-81. Division E of the Defense Reauthorization Act contains the SBIR/STTR Reauthorization Act of 2011 (SBIR/STTR Reauthorization Act), which extends both the SBIR and STTR programs through September 30, 2017. In addition, the SBIR/STTR Reauthorization Act creates several pilot programs and amends current SBIR and STTR statutory provisions relating to program eligibility, technical assistance, annual reporting and data collection. The U.S. Small Business Administration (SBA) believes these statutory amendments will enhance the purpose of the SBIR and STTR programs, which is to strengthen the role of innovative small business concerns in Federally-funded research and research and development.

As a result of these statutory changes to the programs, SBA has received several inquiries concerning the applicability of these amendments to current SBIR or STTR solicitations and the overall SBIR and STTR program operations.

The SBA is charged with issuing a policy directive for the SBIR and STTR programs, which provides guidance to the agencies on the general conduct of the programs (15 U.S.C. §§ 638(j)(1) and (p)). The SBA is also charged with issuing regulations necessary to carry out the authority set forth in the Small Business Act (15 U.S.C. § 634(b)(6)). The SBIR/STTR Reauthorization Act contains specific language that SBA must, within a short timeframe, issue amendments to either its regulations or the policy directives implementing the SBIR and STTR programs to conform the regulations and directives to the recent statutory amendments (*see e.g.* §§ 5107(c) and 5151 of the SBIR/STTR Reauthorization Act). The SBA is also required to publish these regulatory or policy directive amendments in the Federal Register and, in some cases, seek public comment.

We have been working with the SBIR and STTR program managers at the various agencies over the last few weeks to gather their input and thoughts on these provisions as we draft the amendments to the rules and policy directives. In the interim, agencies should follow the current SBIR and STTR policy directives, and the SBA's current size and eligibility regulations relating to the programs. Agencies should be aware, however, that for Fiscal Year 2012, agencies must expend not less than 2.6% of their extramural budgets for research or research and development on small business concerns in the SBIR program and not less than .35% of their extramural budget for small businesses in the STTR program.

We thank you for your attention to this matter and your support of SBA's small business programs. If you have any questions, please contact me at 202.205.6513.