

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2747

To amend the Small Business Act to improve outreach and support activities and to increase award recipients from rural areas with respect to the Small Business Innovation Research Program and the Small Business Technology Transfer Program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 2009

Mrs. HALVORSON introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Science and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Small Business Act to improve outreach and support activities and to increase award recipients from rural areas with respect to the Small Business Innovation Research Program and the Small Business Technology Transfer Program, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Rural Technology De-  
5       velopment and Outreach Act”.

1 **SEC. 2. OUTREACH AND SUPPORT ACTIVITIES.**

2 Section 9 of the Small Business Act (15 U.S.C. 638)  
3 is amended by inserting after subsection (r) the following:

4 “(s) OUTREACH AND SUPPORT ACTIVITIES.—

5 “(1) IN GENERAL.—Subject to the other provi-  
6 sions of this subsection, the Administrator shall  
7 make grants on a competitive basis to organizations,  
8 to be used by the organizations to do one or both  
9 of the following:

10 “(A) To conduct outreach efforts to in-  
11 crease participation in the programs under this  
12 section.

13 “(B) To provide application support and  
14 entrepreneurial and business skills support to  
15 prospective participants in the programs under  
16 this section.

17 “(2) AUTHORIZATION OF APPROPRIATIONS.—  
18 There is authorized to be appropriated to the Ad-  
19 ministrator \$10,000,000 to carry out paragraph (1)  
20 for each of fiscal years 2010 and 2011.

21 “(3) AMOUNT OF ASSISTANCE.—For each of  
22 subparagraphs (A) and (B) of paragraph (1), the  
23 amount of assistance provided to an organization  
24 under that subparagraph in any fiscal year—

1           “(A) shall be equal to the total amount of  
2           matching funds from non-Federal sources pro-  
3           vided by the organization; and

4           “(B) shall not exceed \$250,000.

5           “(4) DIRECTION.—An organization receiving  
6           funds under paragraph (1) shall, in using those  
7           funds, direct its activities at one or both of the fol-  
8           lowing:

9           “(A) Small business concerns located in  
10           geographic areas that are underrepresented in  
11           the programs under this section.

12           “(B) Small business concerns owned and  
13           controlled by women, small business concerns  
14           owned and controlled by service-disabled vet-  
15           erans, and small business concerns owned and  
16           controlled by minorities.

17           “(5) ADVISORY BOARD.—

18           “(A) ESTABLISHMENT.—Not later than 90  
19           days after the date of the enactment of this  
20           subsection, the Administrator shall establish an  
21           advisory board for the activities carried out  
22           under this subsection.

23           “(B) NON-APPLICABILITY OF FACA.—The  
24           Federal Advisory Committee Act (5 U.S.C.  
25           App.) shall not apply to the advisory board.

1           “(C) MEMBERS.—The members of the ad-  
2           visory board shall include the following:

3                   “(i) The Administrator (or the Ad-  
4                   ministrators’ designee).

5                   “(ii) For each Federal agency re-  
6                   quired by this section to conduct an SBIR  
7                   program, the head of the agency (or the  
8                   designee of the head of the agency).

9                   “(iii) Representatives of small busi-  
10                  ness concerns that are current or former  
11                  recipients of SBIR awards, or representa-  
12                  tives of organizations of such concerns.

13                  “(iv) Representatives of service pro-  
14                  viders of SBIR outreach and assistance, or  
15                  representatives of organizations of such  
16                  service providers.

17           “(D) DUTIES.—The advisory board shall  
18           have the following duties:

19                   “(i) To develop guidelines for awards  
20                   under paragraph (1), including guidelines  
21                   relating to award sizes, proposal require-  
22                   ments, measures for monitoring awardee  
23                   performance, and measures for deter-  
24                   mining the overall value of the activities  
25                   carried out by the awardees.

1           “(ii) To identify opportunities for co-  
2           ordinated outreach, technical assistance,  
3           and commercialization activities among  
4           Federal agencies, the recipients of the  
5           awards under paragraph (1), and appli-  
6           cants and recipients of SBIR awards, in-  
7           cluding opportunities such as—

8                   “(I) podcasting or webcasting for  
9                   conferences, training workshops, and  
10                  other events;

11                  “(II) shared online resources to  
12                  match prospective applicants with the  
13                  network of paragraph (1) recipients;  
14                  and

15                  “(III) venture capital conferences  
16                  tied to technologies and sectors that  
17                  cross agencies.

18           “(iii) To review and recommend revi-  
19           sions to activities under paragraph (1).

20           “(iv) To submit to the Committee on  
21           Small Business and Entrepreneurship of  
22           the Senate and the Committee on Small  
23           Business and the Committee on Science  
24           and Technology of the House of Represent-  
25           atives an annual report on the activities

1 carried out under paragraph (1) and the  
2 effectiveness and impact of those activities.

3 “(6) SELECTION CRITERIA.—In awarding  
4 grants under this subsection, the Administrator shall  
5 use selection criteria developed by the advisory board  
6 established under paragraph (5). The criteria shall  
7 include—

8 “(A) criteria designed to give preference to  
9 applicants who propose to carry out activities  
10 that will reach either an underperforming geo-  
11 graphic area or an underrepresented population  
12 group (as measured by the number of SBIR ap-  
13 plicants);

14 “(B) criteria designed to give preference to  
15 applicants who propose to carry out activities  
16 that complement, and are integrated into, the  
17 existing public-private innovation support sys-  
18 tem for the targeted region or population;

19 “(C) criteria designed to give preference to  
20 applicants who propose to measure the effec-  
21 tiveness of the proposed activities; and

22 “(D) criteria designed to give preference to  
23 applicants who include a Small Business Devel-  
24 opment Center program that is accredited for  
25 its technology services.

1           “(7) PEER REVIEW.—In awarding grants under  
2 this subsection, the Administrator shall use a peer  
3 review process. Reviewers shall include—

4           “(A) SBIR program managers for agencies  
5 required by this section to conduct SBIR pro-  
6 grams; and

7           “(B) private individuals and organizations  
8 that are knowledgeable about SBIR, the innova-  
9 tion process, technology commercialization, and  
10 State and regional technology-based economic  
11 development programs.

12           “(8) PER-STATE LIMITATIONS.—

13           “(A) IN GENERAL.—To be eligible to re-  
14 ceive a grant under this subsection, the appli-  
15 cant must have the written endorsement of the  
16 Governor of the State where the targeted re-  
17 gions or populations are located (if the regions  
18 or populations are located in more than one  
19 State, the applicant must have the written en-  
20 dorsement of the Governor of each such State).  
21 Such an endorsement must indicate that the  
22 Governor will ensure that the activities to be  
23 carried out under the grant will be integrated  
24 with the balance of the State’s portfolio of in-

1 vestments to help small business concerns com-  
2 mercialize technology.

3 “(B) LIMITATION.—Each fiscal year, a  
4 Governor may have in effect not more than one  
5 written endorsement for a grant under para-  
6 graph (1)(A), and not more than one written  
7 endorsement for a grant under paragraph  
8 (1)(B).

9 “(9) SPECIFIC REQUIREMENTS FOR AWARDS.—  
10 In making awards under paragraph (1) the Adminis-  
11 trator shall ensure that each award shall be for a pe-  
12 riod of 2 fiscal years. The Administrator shall estab-  
13 lish rules and performance goals for the disburse-  
14 ment of funds for the second fiscal year, and funds  
15 shall not be disbursed to a recipient for such a fiscal  
16 year until after the advisory board established under  
17 this subsection has determined that the recipient is  
18 in compliance with the rules and performance  
19 goals.”.

20 **SEC. 3. RURAL PREFERENCE.**

21 Section 9 of the Small Business Act (15 U.S.C. 638),  
22 as amended, is further amended by adding at the end the  
23 following:

24 “(aa) RURAL PREFERENCE.—In making awards  
25 under this section, Federal agencies shall give priority to

1 applications so as to increase the number of SBIR and  
2 STTR award recipients from rural areas.”.

3 **SEC. 4. OBTAINING SBIR APPLICANT’S CONSENT TO RE-**  
4 **LEASE CONTACT INFORMATION TO ECO-**  
5 **NOMIC DEVELOPMENT ORGANIZATIONS.**

6 Section 9 of the Small Business Act (15 U.S.C. 638),  
7 as amended, is further amended by adding at the end the  
8 following:

9 “(bb) CONSENT TO RELEASE CONTACT INFORMA-  
10 TION TO ORGANIZATIONS.—

11 “(1) ENABLING CONCERN TO GIVE CONSENT.—

12 Each Federal agency required by this section to con-  
13 duct an SBIR program shall enable a small business  
14 concern that is an SBIR applicant to indicate to the  
15 agency whether the agency has its consent to—

16 “(A) identify the concern to appropriate  
17 local and State-level economic development or-  
18 ganizations as an SBIR applicant; and

19 “(B) release the concern’s contact informa-  
20 tion to such organizations.

21 “(2) RULES.—The Administrator shall estab-  
22 lish rules to implement this subsection. The rules  
23 shall include a requirement that the agency include  
24 in its SBIR application forms a provision through

1 which the applicant can indicate consent for pur-  
2 poses of paragraph (1).”.

3 **SEC. 5. INCREASED PARTNERSHIPS BETWEEN SBIR**  
4 **AWARDEES AND PRIME CONTRACTORS, VEN-**  
5 **TURE CAPITAL INVESTMENT COMPANIES,**  
6 **AND LARGER BUSINESSES.**

7 Section 9 of the Small Business Act (15 U.S.C. 638),  
8 as amended, is further amended by adding at the end the  
9 following:

10 “(cc) INCREASED PARTNERSHIPS.—

11 “(1) IN GENERAL.—Each agency required by  
12 this section to conduct an SBIR program shall es-  
13 tablish initiatives by which the agency encourages  
14 partnerships between SBIR awardees and prime  
15 contractors, venture capital investment companies,  
16 business incubators, and larger businesses, for the  
17 purpose of facilitating the progress of the SBIR  
18 awardees to the third phase.

19 “(2) DEFINITION.—In this subsection, the term  
20 ‘business incubator’ means an entity that provides  
21 coordinated and specialized services to entrepre-  
22 neurial businesses which meet selected criteria dur-  
23 ing the businesses’ startup phases, including pro-  
24 viding services such as shared office space and office  
25 services, access to equipment, access to telecommuni-

1 cations and technology services, flexible leases, spe-  
2 cialized management assistance, access to financing,  
3 mentoring and training services, or other coordi-  
4 nated business or technical support services designed  
5 to provide business development assistance to entre-  
6 preneurial businesses during these businesses' start-  
7 up phases.”.

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