

March 5, 2013

Secretary Thomas J. Vilsack  
United States Department of Agriculture  
Office of the Secretary  
Washington, D.C. 20250

Dear Secretary Vilsack:

Under the National Defense Authorization Act of 2012 (2012 NDAA), the Senate Committee on Small Business and Entrepreneurship and the Senate Committee on Armed Services included provisions to accelerate the transition of technologies under the SBIR and STTR programs to Phase III. The objectives of these provisions are to maximize the government's R&D investments, to stimulate economic growth, and to create jobs.

With these objectives in mind, Congress included targeted provisions in the 2012 NDAA that required agencies to establish goals and reporting requirements. The relevant sections are 5108 and 5123. We need benchmarks and goals to know where we are now and where we should aim in order to maximize those investments made in promising, cost-effective technologies. As Chair of the Senate Committee on Small Business and Entrepreneurship, I ask for information on those actions that your Department or Agency has taken to comply with the following directives:

**Section 5108 (4), SBIR and STTR Special Acquisition Preference:** This section of 2012 NDAA states that Federal agencies and prime contractors shall issue Phase III awards to the SBIR and STTR award recipients who developed the technology.

1. Has your Department or Agency put in place a tracking system to determine how many Phase III awards have been issued? If yes, please explain. If not, why not and when will this be completed?
2. Are your contracting officers aware of the SBIR/STTR policy directives that authorize sole source contracts for technologies that are an outgrowth of an SBIR/STTR project? If not, why not and how will the contracting officers be trained?

**Sections 5123, Commercialization Readiness Pilot Program for Civilian Agencies:** This section authorizes the creation of a pilot program targeted toward development, testing, evaluation, and commercialization assistance for SBIR and STTR Phase II technologies.

3. Has your Department or Agency decided to create a Commercialization Readiness Program? If yes, please give us information about its implementation. If no, please explain why not.
4. If your Department or Agency has not established a Commercialization Pilot Program, please detail what actions your agency will take to promote the commercialization of its SBIR technology.

Last, we are hearing from small businesses that their SBIR/STTR awards and other contracts have been delayed because of the six-month C.R. While C.R.s may limit spending and delay some contracts, it should not delay all contracts. Please explain how your Department or Agency is handling awards of SBIR contracts and how it can release more funds to mitigate hardship for small firms.

The Senate Committee on Small Business and Entrepreneurship plans to have a roundtable or hearing within the next six months to discuss the implementation of the six-year SBIR/STTR reauthorization. The transition of SBIR/STTR Phase II projects to Phase III projects will be an important part of the legislation. The answers to these questions will help us prepare for that hearing. Please send us responses by Monday, April 1<sup>st</sup>.

Sincerely,



Mary Landrieu  
Chair  
US Senate Committee on Small Business and Entrepreneurship