

Small Business Administration
Paperwork Reduction Act Submission
SBIR/STTR Databases (SBIR.gov, formerly Tech-Net) OMB Control Number 3245-0356

A: JUSTIFICATION

1. Circumstances necessitating the collection of information

Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The Small Business Act (SBA) requires SBA to collect data from the Federal agencies that participate in the SBIR and STTR Programs and report to Congress information regarding applications and awards to small business concerns (SBCs) by each of these agencies. See 15 U.S.C. § 638(b)(7) and (k). The SBA also requires SBA to maintain searchable, electronic databases that include pertinent information concerning each SBIR and STTR award made through the programs. SBA maintains one central, relational database, which is now referred to as SBIR.gov (formerly Tech-Net) and is located at www.SBIR.gov. The change in name also reflects that SBIR.gov is more than a database as required by statute but a portal containing other information and resources of value to the public and small businesses interested in participating in the program. In order to more easily differentiate what data is collected, from whom, at what interval, and who has access to it, SBA has subdivided the SBIR.gov database into “sub-databases.” Of these “sub-databases,” the Company Registry and Commercialization Databases are the only collections in which SBA requests data directly from program applicants and participants. SBA has not included the Application Database which was included in its last submittal because agencies collect application information directly from SBIR/STTR applicants and then forward summary application information to SBA for inclusion in SBIR.gov.

The SBA also requires a “simplified, standardized and timely annual report” from each Federal agency participating in the SBIR program. The report includes information that is provided by the SBCs that apply for SBIR and/or STTR awards or that receive such awards. See attached copy of the statutory authority (15 U.S.C. § 638(k)) for a description of the requirements for this information collection.

2. How, by whom, and for what purpose information will be used

Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

SBA, as the overall administrator for the SBIR and STTR Programs, is required to collect and report to the Congress information regarding awards made to SBCs by each Federal agency participating in these programs. The information in the Company Registry and the Commercialization Database is used for evaluating and reporting on the SBIR and STTR programs.

Company Registry: The database includes ownership information from the company at time of application for an SBIR or STTR award. The information is used to help determine eligibility for the award. The registry also is used to provide a mechanism for meeting the statutory requirement that small businesses that are majority-owned by venture capital operating companies (VCOCs), hedge funds and private equity firms be registered. See 15 U.S.C. § 638(k)(1)(F)(i) and (dd)(3) .

Modification: None.

Commercialization Database: This database collects measures of commercial success, such as a company's total sales, additional R & D, external investment amounts, the number of patents filed, the valuation of an initial public offering (IPO), and information on whether the small business merged with another company or was acquired. Only the awardees, SBA, or the awarding Federal agency can change the commercialization data. Awardees can update their information at any time. The collected information is used by the SBA and other agencies to assess the performance of individual awardees and the overall performance and commercial impact of the SBIR and STTR programs. Commercialization data can only be viewed by SBA, participating agencies, the U.S. Census Bureau, and support contractors subject to non-disclosure agreements with the Federal Government covering the use of the database.

Modification: None

Application Database:

Modification: Removed

The Application Database was removed because participating agencies collect this information directly from applicants. Agencies utilize their own information collection. Once awards are made, agencies forward the application information to SBA for inclusion in SBIR.gov, as appropriate.

3. Technological collection techniques

Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce the burden.

Information contained in all databases described in the preceding sections is accessed and maintained using the SBIR.gov online platform. Users register with SBIR.gov to receive a confidential login name and password which are needed for secure access. SBIR.gov also allows agencies to perform keyword searches, modify the scope of the reports, run reports for Awards information, and create exportable Excel and PDF files of that data. Potential research partners and investors can also use SBIR.gov to view research and development efforts that are ongoing

in the SBIR/STTR programs, increasing the investment opportunities for the SBCs that participate in the programs.

4. Avoidance of Duplication

Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.

The SBA is not currently collecting this statutorily mandated information through any other SBA programs or systems. Currently, there are no other centralized database systems other than SBIR.gov that contain validated SBIR or STTR company registrations and all of the statutorily required award data. Federal Procurement Data System (FPDS) contains basic award information; but not all of the details SBA is required to provide to Congress in our annual reports. System for Award Management (SAM) does have valid company data; but does not cover all of the fields SBA must collect and not all applicants are required to be SAM registered at time of application. SBA is working to incorporate data from SAM directly into SBIR.gov in the future. Both FPDS and SAM are used when needed for spot-checks. The SBIR.gov system affords each agency the ability to periodically check for duplicative funding of technologies by agencies, and to cost-share on technologies being developed at one agency that also has relevance at another.

5. Impact on small businesses or other small entities

If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

SBA continues to take steps to minimize the burden associated with this information collection. First, where possible, SBCs only need to submit certain information once; the collection system will auto populate certain fields and the information will be electronically available to all participating agencies. This would obviate the need for SBCs to send the same information to all agencies separately. Second, the information requested is primarily the type of information that businesses are expected to maintain as part of the ordinary course of business, or is information that these SBCs would necessarily have to compile in order to complete the application process at the federal agencies that participate in the SBIR/STTR programs.

6. Consequences if collection of information is not conducted

Describe the consequence to the Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The Small Business Act, 15 U.S.C. § 638(b)(6) requires SBA to independently survey and monitor the operation of the SBIR and STTR Programs with participating agencies. Failure to collect this information would hamper the ability to effectively evaluate and monitor the programs. The agencies and SBA would not be fully compliant with the statute if the information is not collected and reported. Likewise, collecting this information less frequently, e.g., pursuant to every other award instead of every award, would also be in violation of the statute.

The SBIR/STTR reporting requirements for small business are designed to help minimize fraud, waste, and abuse in the program. SBA continues to be on the forefront of addressing

fraud, waste, and abuse issues by working with the SBA Office of Inspector General (OIG), as well as with the SBIR OIG Working Group comprised of IGs from the eleven agencies participating in the SBIR program.

7. Existence of special circumstances

Explain any special circumstances that would cause an information collection to be conducted in a manner:

- requiring respondents to report information to the agency more often than quarterly;
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- requiring the use of a statistical data classification that has not been approved by OMB;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use;
- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

The SBA Act (15 U.S.C. § 638(k)) requires that data on commercialization be considered proprietary and protected from public disclosure. The SBA protects this data by restricting access to the Commercialization database to only those individual government employees and authorized government support contractors that have signed non-disclosure agreements and who require access to these databases as part of their job requirements. The SBA Act (15 U.S.C. § 638(k)) also directs SBA to request that all SBCs receiving a Phase I or Phase II award voluntarily update certain information about their awards annually for a period of five years. All other information collected requires the respondents to retain records, other than grant/contract or tax records, for no more than three years.

8. Solicitation of Public Comment

If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize comments received. Describe efforts to consult with persons outside the agency to obtain their views...

SBA published a notice for public comment on this information collection in the Federal Register at 83 FR 35526 on July 26, 2018. The comment period ended on September 24, 2018. SBA did not receive any public comments.

9. Payment of gifts

Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

There will be no payments or gifts given to any respondent.

10. Assurance of Confidentiality

Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Pursuant to 15 U.S.C. § 638(k)(4), certain information provided to the Company Registry and the Commercialization Database are only accessible to government personnel and authorized government support contractors that have signed non-disclosure agreements, and are privileged and confidential and not subject to disclosure pursuant to 5 U.S.C. § 552, Freedom of Information Act (FOIA), and must not be considered to be a publication for purposes of 35 U.S.C. § 102(a) or (b). In addition, the collection of other business information may implicate the Trade Secrets Act and therefore is subject to protection under Exemption 4 of the FOIA. Any information not specifically protected will nonetheless be protected to the extent permitted by law.

11. Questions of a sensitive nature

Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This information collection includes data that is or may be considered sensitive; however, as discussed below, some of this data is either statutorily required and protected from disclosure or can be justified as the most effective means to achieve agency objectives.

First, each applicant to the SBIR or STTR program is asked to provide its Employer Identification Number (EIN) or DUNS Number as part of the application. These numbers are needed to uniquely identify the participating firms over time. Firms funded by the SBIR or STTR programs may undergo name or address changes, which makes it difficult to link the program award with the eventual commercial impact.

Second, the programs also require SBCs to report the ownership percentages for equity investors as required in the SBAct (15 U.S.C. § 638(k)). This information is sensitive because SBCs do not want this information divulged to competitors. This knowledge has the potential to discourage private investments in the firm.

Third, SBA must also report to the Congress on the number of SBIR and STTR awards that are made to firms that are also HUBZone certified and the Federal Tax ID number is the only identifier that is common to each of these programs. Although the EIN information is collected, this data field is not shared publicly or with any individual who has not been approved for access to the site. Refer to the attached Appendices below for detailed information about the data fields that

remain private. The information identified in section 11 of this document is used by SBA to fulfill its responsibilities for oversight and reporting on each program's implementation of the SBIR and STTR programs.

Fourth, the SBA Act (15 U.S.C. § 638(k)) requires that the SBIR and STTR programs collect and track potentially sensitive data related to the identity and nationality of the owners of applicant firms, as well as any convictions of fraud-related crimes. This data includes information on whether the applicant and awardee is: a woman-owned small business; has a principal investor who is a woman; is owned by a socially or economically disadvantaged individual; has a principal investor who is a socially or economically disadvantaged individual; has an investor that is an individual who is not a U.S. citizen or permanent resident alien (including the name of such individual); and has an investor that is an entity which is not organized under the laws of a U.S. State or the United States (including the name of investor) (as defined by 20 U.S.C. §1001 et. seq.).

The website for the Commercialization database notifies respondents that the information provided for this database will be considered commercially sensitive, treated as confidential, and is exempted from disclosure under the Freedom of Information Act. It will be available only to authorized persons within the reporting firm and to those Federal officials with specific clearance granted by SBA. The data will be protected using Point-To-Point Session Encryption. All logins are protected by "https," the industry standard for encryption. The same standards, disclosures, and security measures defined and applied in the Commercialization database are applied to the Company Registry

12. Estimate the hourly burden of the collection of information

Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated...

Information will be collected from small businesses once whenever possible. This means that the annual reporting burden on small businesses will decrease each year a returning applicant applies to the program because applicants will only be updating changes and confirming data previously reported has not changed. Approximately 7,000 firms register in the system annually.

(a) The *Company Registry Database* contains information from companies that plan on submitting SBIR/STTR proposals to solicitations from participating agencies.

Analysis covering last year shows that there were 7,149 registration for companies with time to complete the form averaging 27 minutes per registration. This represents a total burden of about 3,217 hours per year.

(b) *Commercialization (government) database.* This database contains information from all SBIR or STTR applicants that have won Phase II awards in the past. Each of these Phase II awardees will be asked to complete the survey upon application and to voluntarily update such information annually for a period of five years. The amount of time it will take an awardee to update

their Commercialization database profile will vary depending on the number of Phase II awards the firm has been awarded.

The number of companies that have been updating their records is currently much lower than expected. SBA previously estimated that approximately 3,500 firms were likely to have had prior Phase II awards. SBA also estimated that each of these respondents would require approximately 1.5 hours to read the directions, gather the required information, and complete the survey each year, for a total of 5,250 hours a year.

However, based on its FY18 review, SBA concluded that only 513 firms utilized this database and that only one-third of those firms properly updated their company records. The average time spent on updating Phase II awards in the system was 33 minutes, for a burden total of 282 hours. SBA anticipates this number increasing over the next few years to 1,000 firms taking 1,000 hours annually.

A financial officer of the SBCs will likely input this information. SBA has assumed that the officer's pay is equal to a GS-14, step 1, employee in the Washington, DC area, who makes on average \$54.91/hour. At this hourly rate, the estimated annual cost of the information collected from applicants for the Company Registry database is an estimated annual burden of \$176,645 (3,217 hours). The estimated cost burden for the Commercialization database would be \$54,910 (1000 hours).

The total estimated number of hours to small businesses per year is 4,217 hours (3,217 Company registry and 1,000 Commercialization database). The total estimated annual cost associated with these databases and surveys is \$231,555.

13. Estimate the total annual cost burden for submission

Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information...

SBA estimates that there will be no total annual cost burden to respondents or record keepers resulting from collection of the information for the Company Registry and/or the Commercialization databases. The information requested should be collected and retained in the ordinary course of business and no special equipment is needed in order to comply with the information request.

14. Annualized Cost to the Federal Government

Provide estimates of annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.

The SBA estimates that the annual cost to the federal government of collecting and maintaining SBIR.gov will be equivalent to 500 hours of work for government or contractor employees. Employees with the required skills for this work are estimated to be equivalent to the GS 14, step 1 level in the Washington, DC area, who make on average \$54.91 per hour or \$114,590 per year. The total estimated labor costs for 500 hours or work at the above pay rate are estimated to

be \$27,455. Hosting for the website and related databases are estimated to cost \$50,000 a year. Total annual combined costs for labor and web and database hosting is \$77,455.

15. Explanation of program changes in Items 13 or 14 on OMB Form 83-I

Explain reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I

There is a decrease in burden hours previously reported due in part to the removal of the Application Database and the agency's analysis of user data, which has enabled the agency to more accurately determine actual use of the databases.

16. Collection of information whose results will be published.

For collection of information whose results will be published, outline plans for tabulation and publication. Address complex analytical techniques... Provide time schedules for the entire project...

. SBA reports general award information, including abstracts of each award in SBIR.gov. SBA also issues an SBIR/STTR Annual Report each year which includes statutorily required general program and award information.

17. Expiration date for collection of information

If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why the display would be inappropriate.

Not applicable.

18. Exceptions to certification in block 19 on OMB Form 83-I

Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission," of OMB Form 83-I

Not applicable.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent select

Not applicable.