

August 2, 2013

SBIR Alerting Service

The SBIR Alerting Service is a free service that provides bi-weekly notification of SBIR and STTR solicitation announcements, news and information, and Internet resources relevant to the SBIR/STTR programs. This service is provided by the [Economic Development Office](#) of [Pacific Northwest National Laboratory](#) (PNNL).

Back issues of the *SBIR-Alert* are available at www.pnnl.gov/edo/opportunities/sbir.stm. Subscription instructions appear at the end of this newsletter.

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>> SBIR/STTR NEWS AND INFORMATION

SBIR Alerting Service Survey

As was recently announced, Pacific Northwest National Laboratory will no longer be able to offer the [SBIR Alerting Service](#) for free after September of this year. We are currently looking into ways to continue the service. One of the possible options is to cover the cost by charging subscribers. The feasibility of continuing the service depends on the number of subscribers and the price they are willing to pay, so we would like to get a sense of our current subscribers' willingness to pay for a subscription by conducting a quick one-question survey.

Please click on the link, or copy and paste into a web browser to respond:

<https://survey.pnnl.gov/se.ashx?s=4D1929A53B89641E>

Your response will be anonymous and will only be used in conjunction with other responses to indicate a potential subscription price. Please respond by midnight August 11, 2013.

Thank you for your feedback!

DOT FY13.2 SBIR Solicitation Now Open

The Department of Transportation (DOT) FY13.2 SBIR solicitation opened on July 25, and will close on September 23, 2013. The Phase I research topics for this solicitation are listed below:

13.2-FH1: Development of Innovative Welding for High Performance Bridge Steel

13.2-FH2: Game-based technology and Database to Train Pre-Drivers, Young Drivers, and Older Drivers to Detect Traffic Hazards and Respond Appropriately

13.2-FM1: Affiliation Strength/Risk Model Development for Motor Carrier Succession

13.2-PH1: Pipeline Integrity Assessment Using In-Line Inspection

13.2-PH2: Modeling cathodic protection penetration on new construction pipelines incorporating all types of "foam" sack breakers and supports

13.2-PH3: Develop and demonstrate new non-destructive evaluation methods to quantify remaining strength of line pipe steel and or pipeline fittings

The solicitation is available to view/download in WORD, PDF, and HTML file formats at www.volpe.dot.gov/sbir/sol13_2/. As indicated on this page:

Technical questions pertaining to the FY13.2 USDOT SBIR solicitation research topics must be submitted to the USDOT SBIR Program Office Point of Contact, Linda Duck, linda.duck@dot.gov. All questions must be submitted by email.

Please note technical questions will be accepted through September 16, 2013. Questions received after September 16, 2013 but before the solicitation close date and time, may not be answered before the solicitation closes. The USDOT SBIR Program Office will submit all technical questions to the research topic authors for response. Answers will be posted in the Current Solicitation section of the USDOT SBIR Program website: www.volpe.dot.gov/sbir/current.html.

NIH and EPA Solicitation Deadline Reminders

The second of three deadlines for proposals in response to the PHS 2013-02 SBIR/STTR Omnibus Solicitation of the NIH, CDC, FDA and ACF is August 5, 2013. If you are planning on submitting a proposal, it is strongly advised that you re-read the 'Instructions for Preparing an SBIR or STTR Application' the series of Frequently Asked Questions,' and 'Checkpoints in Preparing for Electronic Submission' available from the NIH SBIR/STTR website: grants.nih.gov/grants/funding/sbir.htm.

Proposals in response to the Environmental Protection Agency (EPA) 2013 SBIR Phase 1 Solicitation are due on August 13, 2013. As indicated on the solicitation website (epa.gov/ncer/rfa/2014/2014_sbir_phase1.html):

Your proposal with an original and two (2) copies (including all appendices) and one (1) CD-ROM with Portable Document Form (PDF) copy of your proposal shall be received at one of the following addresses by 12:00 p.m. (Noon), eastern time, on August 13, 2013. Three copies of the application must be submitted: 1) an original, signed copy; 2) a single-sided copy on plain white paper; and 3) another copy for administrative purposes.

DOE SBIR/STTR FY 2014 Phase I (Release 1) Topics Available

The Department of Energy (DOE) has posted the topics for Release 1 of the DOE FY2014 SBIR/STTR Phase I Funding Opportunity Announcement (FOA) on their SBIR/STTR website (science.energy.gov/sbir/). There are 40 topics available from among the following 7 participating DOE Research Programs (also referred to as Program Areas):

Office of Advanced Scientific Computing Research (2)
Office of Basic Energy Sciences (14)
Office of Biological and Environmental Research (5)
Office of Defense Nuclear Nonproliferation (7)

Office of High Energy Physics (7)
Office of Nuclear Physics (5)

The 180-page Topic document contains descriptions of all of the topics and associated subtopics; links to Program Area additional information; subtopic references and contact emails; and a schedule of important dates regarding the FOA.

The Topic document also refers to the fact that selected topic and subtopics contained in the FOA are designated as a Technology Transfer Opportunity (TTO) which is an opportunity to leverage technology that has been developed at a DOE National Laboratory. Each TTO will be described in a particular subtopic and additional information may be obtained by using the link in the subtopic to the DOE National Laboratory that has developed the technology. Typically the technology was developed with DOE funding of either basic or applied research at a DOE National Laboratory and is available for transfer to the private sector. Page 1 and 2 of the FOA contains a series of questions and answers regarding TTOs.

DoD SBIR 2013.3 and STTR 2013.B Solicitations in Pre-Release

The Department of Defense (DoD) posted the SBIR 2013.3 and STTR 2013.B Solicitations on their SBIR/STTR website (www.acq.osd.mil/osbp/sbir/index.shtml) on July 26, 2013. Both solicitations are now in pre-release, and will open to proposal submission from August 26, 2013 through September 25, 2013.

During this Pre-Release period, you may talk directly with topic authors to ask technical questions about the topics. Their names, phone numbers, and e-mail addresses are listed within each solicitation topic.

Presolicitation notices for DoD SBIR 2013.3 and STTR 2013.B have also been posted on the Federal Business Opportunities (www.fedbizopps.gov) website. These notices are available at:

DoD SBIR 2013.3

www.fbo.gov/index?s=opportunity&mode=form&id=24cd3e3894372408f483e0854682b0e8&tab=core&_cvview=0

DoD STTR 2013.B

www.fbo.gov/index?s=opportunity&mode=form&id=cda94efad8821b5ef0303680e6d6ecfa&tab=core&_cvview=0

For more information, contact the SBIR/STTR Help Desk at 1-866-724-7457 or sbirhelp@brtrc.com.

SBIR Proposal Writing Tip: EPA Time Out Provision

The following proposal writing tip was provided by Gail & Jim Greenwood. Past SBIR proposal writing articles written by the Greenwoods are available on the Greenwood Consulting Group, Inc. (GCGI) web site at www.gjgreenwood.com.

SBIR Proposal Writing Basics: EPA Implements Time Out Provision
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One of the lesser discussed provisions of the recent Reauthorization of the SBIR and STTR programs requires the agencies to identify small businesses that are not doing an adequate job of converting Phase 1 projects into Phase 2 awards, and Phase 2 awards into Phase 3 successes. The Reauthorization requires the agencies to establish conversion ratios for each transition, and the time period over which the conversion rate will be measured. Small companies that do not meet the minimum conversion thresholds will be put in a one year "time out" during which they may not receive any SBIR/STTR awards from that agency.

We can see two reasons why Congress may have inserted this requirement in the Reauthorization. First, it is likely included to prevent "SBIR Mills" that suck up a lot of SBIR awards and dollars, but never move the projects

forward like Congress wants them to. We understand this logic in terms of setting a conversion rate of Phase 2 to Phase 3 success, but it isn't clear why a smart "Mill" would just do Phase 1 awards and not push them on to Phase 2. Second, this may have been seen as an incentive for SBIR/STTR applicants to hone their proposal preparation skills—with the threat of being put in a time out, an applicant will work to improve its proposals and therefore its conversion rate.

While lesser known, this provision of the Reauthorization is controversial. What is an adequate conversion rate of Phase 1 projects into Phase 2s, and of Phase 2 projects into Phase 3 successes? What is the appropriate time period over which the conversion should be measured? And do both questions depend on the agency involved? To understand the relevancy of the latter question, consider health science projects, where the time frame for converting Phase 2 awards into Phase 3 commercialization successes may take a lot longer (upwards of a decade), compared to a smart phone app that can be (and probably needs to be) commercialized in a matter of months after the end of Phase 2.

Environmental Protection Agency (EPA) is one of the first agencies to implement this time out provision of the Reauthorization. In its FY2014 solicitation, EPA is only implementing the Phase 1 to Phase 2 conversion threshold. It has set the conversion rate at 25%, and the time frame at 5 years. Put another way, an SBIR winner has to show that 25% or more of its Phase 1 projects during a recent 5 year time frame have gone on to Phase 2 awards.

Is 25% a reasonable conversion ratio? That's a difference of opinion. Small Business Administration (SBA) and the agencies have been talking about using that number for some time now, so apparently they think so. The Small Business Technology Council has said that it is too high. Our only measures come from the historical conversion rate of Phase 1s to Phase 2, which is 33-50% on average over time, and our current conversion rate estimate of 45% across all agencies. But if we look at the individual agencies, the current conversion rate of Phase 1 to Phase 2 is estimated to be between 30% and 92%. Data provided by EPA for our current SBIR/STTR Matrix says they estimate their Phase 1 to Phase 2 conversion rate at 40%. So if an agency has an average conversion rate of 40%, is 25% far enough off from average to justify putting an SBIR applicant into a 1 year time out? That question will undoubtedly continue to be debated. Given that the time out requirement applies only to larger winners (those receiving more than 20 Phase 1 awards), we would expect them to have fairly high success ratios converting to Phase 2, so setting the bar at 25% at EPA is probably not unreasonable.

And is a 5 year time frame reasonable for looking at the conversion of Phase 1s to Phase 2s? We don't see much controversy here: if a company doesn't submit a Phase 2 proposal within that time frame, then we see little chance that they would submit it (much less get it funded) after a 2 or 3 years.

In summary, the EPA requirement that larger winners (those with 20+ Phase 1 awards over the preceding 5 year period) convert at least 25% of those Phase 1s into Phase 2s in that 5 year time frame is probably reasonable. However, we offer the following caveats:

First, many agencies are going with larger Phase 1 and 2 award sizes, which means fewer awards if the size of their R&D budgets remain constant. Therefore, historical or current success ratios of Phase 1 to Phase 2 may not be relevant in the future. The agencies need to monitor this, and revise their time out thresholds accordingly.

Second, there's a related issue: the Reauthorization prohibits agencies from limiting the number of Phase 2 proposals they receive by only accepting those that are "invited." Therefore, agencies like DOD will receive more Phase 2 proposals but only be able to fund the same number of Phase 2 projects as before—that means Phase 2 success rates may drop compared with historical averages because of more competition. Again, the agencies will need to monitor this and revise their thresholds over time.

Third, the real controversy with the time out provision of the Reauthorization will come as EPA and the other agencies begin to implement the threshold rates and time frames for conversion of Phase 2s to Phase 3 commercialization. It is hard to fathom that 25% would be reasonable, given the many challenges that face a new product or service being introduced into the market place. And as we said earlier, the time frame will likely

have to vary from one agency to another.

Fourth, even though each agency will set its conversion ratio and time frame thresholds under the Reauthorization requirements, they will be measuring the number of Phase 1, 2 and 3 projects you receive ACROSS ALL AGENCIES. This is going to make things very challenging for some SBIR/STTR companies. For example, if a company is accustomed to winning NIH Phase 1s and 2s, and therefore has long average lead times in converting its Phase 2s into Phase 3 commercialization successes, it would have a hard time meeting the thresholds of an agency like EPA where the SBIR projects it funds are typically commercialized much faster.

Finally, SBIR/STTR winners need to be monitoring the agencies' thresholds, and their conversion ratios, to determine if their company is approaching the point of being put in a one year time out with a particular agency. If your company is reaching a threshold, then you may want to consider submitting SBIR/STTR proposals to other agencies with more generous threshold rates and/or time frames.

Gail and Jim Greenwood may be reached at:

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>> CONFERENCES AND WORKSHOPS

National

15th Annual NIH SBIR/STTR Conference -- Sioux Falls, South Dakota, October 28-30, 2013. This year's conference "How to Be Competitive in a World of Change: Opportunities Through SBIR/STTR Awards ", will offer presentations from NIH program staff and other experts, opportunities for one-on-one meetings with staff representing most NIH institutes and centers, a poster session providing examples of NIH-funded SBIR and STTR projects, and a "Pitch to Investors" panel to educate attendees as to investor expectations. Registration has now opened; visit the conference website for additional details: www.usdresearchpark.com.

Regional

SBIR/STTR Proposal Preparation for DOD -- Columbus, OH, August 6, 2013. This Dept. of Defense-focused seminar provides detailed instruction on the ins and outs of preparing a proposal to meet the requirements of the DoD, including both technical and commercialization plans, and navigating the often complicated submission process. For more information, visit www.bbcetc.com/training/, or contact info@bbcetc.com.

SBIR/STTR Proposal Preparation - DOD Focus -- Sterling Heights, MI, August 8, 2013. This Dept. of Defense-focused seminar provides detailed instruction on the ins and outs of preparing a proposal to meet the requirements of the DOD, including both technical and commercialization plans, and navigating the submission process. For more information, visit www.bbcetc.com/training/, or contact info@bbcetc.com.

SBIR/STTR Workshops Session I: Funding Your Innovation With The SBIR/STTR Program -- Tuscon, AZ, August 9, 2013. Session I of this two-day workshop series will include the following topics: Introductions to the SBIR/STTR Program; How the SBIR/STTR funds may propel your business forward; Local resources for any start-up; If the SBIR/STTR Program is the right fit for your company; What it takes to win! For more information and to register, visit www.azinnovation.com, or contact Anita Bell at the Arizona Center for Innovation at 520-382-3260 or anitab@azinnovation.com.

Webinar: SBIR Overview -- Online, August 14, 2013. Participants will learn SBIR/STTR program basics, including: program purpose, eligibility, and sources of funding. For more information, visit

www.bbcetc.com/training/, or contact info@bbcetc.com.

SBIR/STTR Workshops Session II: How to Utilize the SBIR/STTR Program to Advance Your Business -- Tuscon, AZ, August 16, 2013. Session II of this two-day workshop series will include the following topics: Finding Topics to Bid; Developing the Proposal; Establishing the Commercialization Plan; Preparing the Proposal Budget; and more. For more information and to register, visit www.azinnovation.com, or contact Anita Bell at the Arizona Center for Innovation at 520-382-3260 or anitab@azinnovation.com.

SBIR/STTR Proposal Preparation - DOE Focus -- Detroit, MI, August 20, 2013. This Dept. of Energy-focused seminar provides detailed instruction on the ins and outs of preparing a proposal to meet the requirements of the DoE, including both technical and commercialization plans, and navigating the often complicated submission process. For more information, visit www.bbcetc.com/training/, or contact info@bbcetc.com.

Webinar: Preparing a Credible Budget for DoD and DOE Proposals -- Online, August 22, 2013. This session will walk through the development of a project budget for your DoD or DoE SBIR/STTR proposal. Items covered will include: what costs need to be included, how to write a budget justification, can the company afford to pursue this project, what indirect rate should be used and more. For more information, visit www.bbcetc.com/training/, or contact info@bbcetc.com.

SBIR/STTR Proposal Preparation for DOE -- Detroit, MI, August 27, 2013. This Dept. of Energy-focused seminar provides detailed instruction on the ins and outs of preparing a proposal to meet the requirements of the DOE, including both technical and commercialization plans, and navigating the submission process. For more information, visit www.bbcetc.com/training/, or contact info@bbcetc.com.

How To Win SBIR Awards -- Hanover, MD, September 10, 2012. Maryland TEDCO and the Maryland SBTDC Network will co-sponsor this workshop, which will address: How to strategically align SBIR & STTR with your plans; How to decide if you, or your firm, should pursue SBIR/STTR; and How to evoke desired responses in reviewers of SBIR/STTR applications. For more information, visit sbir.us/course.html, or contact sbir@sbir.us.

SBIR/STTR Proposal Prep - NIH Focus -- Grand Rapids, MI, September 10-11, 2013. This seminar presents essential information for crafting a competitive SBIR/STTR proposal that meets the unique requirements of the NIH. For more information, visit www.bbcetc.com/training/, or contact info@bbcetc.com.

SBIR/STTR Workshop -- Shreveport, LA, September 12, 2013. This event, sponsored by Louisiana Tech University and the Louisiana Technology Transfer Office, is for select, small, technology-oriented companies, entrepreneurs/innovators and university faculty/department managers that are capable of engaging in innovative, basic research and development with the specific goal to produce a product for market or one that is needed by the federal government. Additional details and registration information to follow. For questions contact: vjohns3@lsu.edu, rkeller@lsu.edu, kwyatt@latech.edu.

Propel Workshop: SBIR/STTR Grant Writing -- Chicago, IL, September 16-17, 2013. This two-day workshop combines the SBIR/STTR 101, Proposal Preparation and NIH Electronic Submission Workshops into a two-day intensive workshop. For more information, visit www.bbcetc.com/training/, or contact info@bbcetc.com.

SBIR/STTR Fall Training: NIH/NCI SBIR Program and One-to-One Appointments -- North Brunswick, NJ, September 17, 2013. This seminar is intended to provide participants with an introduction to and overview of the SBIR and STTR programs with a focus on the National Institutes of Health (NIH) and the National Cancer Institute (NCI). The seminar will feature participation by Todd Haim, PhD, who serves as SBIR/STTR Program Manager at NCI. The program will also include instruction on topic searching and identification and an introduction to proposal writing. For more information, contact rgharmon@njsbdc.com.

Webinar: ABC's of SBIR/STTR Funding -- Online, September 19, 2013. Join us for this webinar covering SBIR/STTR program basics including: program purpose; eligibility; and sources of funding. It is designed to provide enough information for attendees to determine if they would like to seriously pursue proposal

development and tools to help begin the process. For more information, visit www.bbcetc.com/training/, or contact info@bbcetc.com.

Webinar: Learn About Nasa's SBIR/STTR Program -- Online, September 24, 2013. Find out how the NASA program operates, if your technology qualifies, and what you need to know about preparing a compelling proposal that meets NASA's unique requirements, including what and what not to include. For more information, visit www.bbcetc.com/training/, or contact info@bbcetc.com.

Webinar: Tips on Electronic Submission to DOE -- Online, October 1, 2013. This webinar will provide tips and guidance to help applicants avoid common errors and successfully navigate the electronic submission process. For more information, visit www.bbcetc.com/training/, or contact info@bbcetc.com.

* Other possible upcoming SBIR training opportunities include:

SBIR/STTR Phase 2/Commercialization workshop -- Tampa, Florida, October 17, 2013

Annual New Jersey SBIR/STTR conference -- Newark/Brunswick area, New Jersey, November 2013 (tentative)

SBIR/STTR Phase 1 workshop -- Tampa, Florida, February 4, 2014

* **Greenwood Consulting Group, Inc.** will provide training at these workshops. Any attendee of one of these workshops is entitled to a free critique of his or her draft SBIR or STTR proposal. If you have questions, contact Gail or Jim Greenwood at (239) 395-9446 (voice & fax) or gail-jim@g-igreenwood.com, or visit their web site at www.g-igreenwood.com.

If you are sponsoring or are aware of SBIR workshops in your area and would like to post an announcement, feel free to contact us.

>> SOLICITATIONS CURRENTLY OPEN

SBIR

PHS 2013-2 SBIR/STTR Omnibus Solicitation of the NIH, CDC, FDA and ACF

Due Dates: August 5, December 5, 2013;

AIDS and AIDS-related due September 7, 2013, and January 7, 2014

<http://grants.nih.gov/grants/funding/sbir.htm>

EPA FY-2013 Phase I SBIR Solicitation

Due August 13 2013

epa.gov/ncer/sbir/

DOT FY 13.2 SBIR Solicitation

Due September 23, 2013

www.volpe.dot.gov/sbir/

USDA 2014 SBIR Phase I Solicitation

Due September 26, 2013

www.csrees.usda.gov/funding/sbir/sbir.html

STTR

PHS 2013-2 SBIR/STTR Omnibus Solicitation of the NIH, CDC, FDA and ACF

Due Dates: August 5, December 5, 2013;

AIDS and AIDS-related due September 7, 2013, and January 7, 2014

<http://grants.nih.gov/grants/funding/sbir.htm>

Coming Soon

DOE FY2014 SBIR and STTR FOA

Expected August 12, 2013 (topics on the web now)

<http://science.energy.gov/sbir/funding-opportunities/>

DoD SBIR 2013.3 Solicitation

Expected August 26, 2013 (pre-release on the web now)

<http://www.acq.osd.mil/osbp/sbir/index.shtml>

DoD STTR 2013.B Solicitation

Expected August 26, 2013 (pre-release on the web now)

<http://www.acq.osd.mil/osbp/sbir/index.shtml>

>> SBIR/STTR ADDITIONAL RESOURCES

For a listing of and links to participating federal agencies, state/regional SBIR and small business resources, consulting services and more, view the *SBIR/STTR Resources on the Web* file at

www.pnnl.gov/edo/opportunities/sbir.stm.

>> SUBSCRIPTION INSTRUCTIONS

To SUBSCRIBE to the SBIR-Alert mailing list, send an email to lyris@lyris.pnl.gov with the following in the subject line or body of your message (your name is optional):

subscribe sbir-alert first_name last_name

example: subscribe sbir-alert joe smith

To UNSUBSCRIBE, send an email to lyris@lyris.pnl.gov with the words "unsubscribe sbir-alert" in the subject line of your message

If you have any comments, suggestions, or would like to submit items for the next issue please contact us:

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