

Services, U.S. Department of Education, 330 "C" Street, SW., room 3433—MES, Washington, DC 20202-2704; and, for Priority 2: José Martinez, Office of Postsecondary Education, U.S. Department of Education, 1990 K Street, NW., room 6016, Washington, DC 20006-8521. We must receive your letter no later than two weeks before the closing date.

Any application that receives a waiver to the electronic submission requirement will be given the same consideration in the review process as an electronic application.

Pilot Project for Electronic Submission of Applications

In FY 2003, the U.S. Department of Education is continuing to expand its pilot project for electronic submission of applications to include additional formula grant programs and additional discretionary grant competitions. The FY 2003 Phase I SBIR program [CFDA 84.133S and 84.017S] is one of the programs included in the pilot project. If you are an applicant under the Phase I SBIR program, you must submit your application to us in electronic format or receive a waiver.

The pilot project involves the use of the Electronic Grant Application System (e-Application). Users of e-Application will be entering data on-line while completing their applications. You may not e-mail a soft copy of a grant application to us. The data you enter on-line will be saved into a database. We request your participation in e-Application. We shall continue to evaluate its success and solicit suggestions for improvement.

If you participate in e-Application, please note the following:

- You will not receive additional point value because you submit a grant application in electronic format, nor will we penalize you if you submit an application in paper format. (Submission of applications in paper format is only acceptable if a waiver is granted as described above.) When you enter the e-Application system, you will find information about its hours of operation.

- You must submit all documents electronically, including the Application for Federal Education Assistance (ED 424), Budget Information—Non-Construction Programs (ED 524), and all necessary assurances and certifications.

- After you electronically submit your application, you will receive an automatic acknowledgement, which will include a PR/Award number (an identifying number unique to your application).

- Within three working days after submitting your electronic application, fax a signed copy of the Application for Federal Education Assistance (ED 424) to the Application Control Center after following these steps:

1. Print ED 424 from e-Application.
2. The institution's Authorizing Representative must sign this form.
3. Place the PR/Award number in the upper right hand corner of the hard copy signature page of the ED 424.
4. Fax the signed ED 424 to the Application Control Center at (202) 260-1349.

- We may request that you give us original signatures on all other forms at a later date.

- Closing Date Extension in Case of System Unavailability:** If you are prevented from submitting your application on the closing date because the e-Application system is unavailable, we will grant you an extension of one business day in order to transmit your application electronically, by mail, or by hand delivery. For us to grant this extension—

1. You must be a registered user of e-Application, and have initiated an e-Application for this competition; and
2. (a) The e-Application system must be unavailable for 60 minutes or more between the hours of 8:30 a.m. and 3:30 p.m., Washington, DC time, on the deadline date; or

- (b) The e-Application system must be unavailable for any period of time during the last hour of operation (that is, for any period of time between 3:30 and 4:30 p.m., Washington, DC time) on the deadline date.

The Department must acknowledge and confirm these periods of unavailability before granting you an extension. To request this extension you must contact either (1) the person listed elsewhere in this notice under **FOR FURTHER INFORMATION CONTACT** or (2) the e-GRANTS help desk at 1-888-336-8930.

We have included additional information about the e-Application pilot project (see Parity Guidelines between Paper and Electronic Applications) in the application package.

SUPPLEMENTARY INFORMATION:

Background

The Small Business Reauthorization Act (the "Act") of 2000 was enacted on December 21, 2000. The Act requires certain agencies, including the Department of Education, to establish SBIR programs by reserving a statutory percentage of their extramural research and development budgets to be awarded

to small business concerns for research or R&D through a uniform, highly competitive three-phase process.

The three phases of the SBIR program are:

Phase I: Phase I is to determine, insofar as possible, the scientific or technical merit and feasibility of ideas submitted under the SBIR program. The application should concentrate on research that will significantly contribute to proving the scientific or technical feasibility of the approach or concept and that would be prerequisite to further ED support in Phase II.

Phase II: Phase II is to expand on the results of and to further pursue the development of Phase I projects. Phase II is the principal research or R&D effort. It requires a more comprehensive application, outlining the effort in detail including the commercial potential. Phase II applicants must be Phase I awardees with approaches that appear sufficiently promising as a result of Phase I. Awards are for periods up to 2 years in amounts up to \$500,000 for Priority 1 awardees and \$300,000 for Priority 2 awardees.

Phase III: In Phase III, the small business must use non-SBIR capital to pursue commercial applications of the research or research and development. Also, under Phase III, Federal agencies may award non-SBIR follow-on funding for products or processes that meet the needs of those agencies.

FOR APPLICATIONS AND FURTHER

INFORMATION CONTACT: For General Information: Lee Eiden, U.S.

Department of Education, 555 New Jersey Avenue, NW., room 508D, Washington, DC 20208-5644. Telephone (202) 219-2004 or via Internet: lee.eiden@ed.gov.

For Priority 1 (OSERS): Kristi Wilson, U.S. Department of Education, 330 "C" Street, SW., room 3433, Washington, DC 20202-2572. Telephone (202) 260-0988 or via Internet: kristi.wilson@ed.gov.

For Priority 2 (OPE): José Martinez, U.S. Department of Education, 555 New Jersey Avenue, NW., room 6016, 1990 K Street, NW., Washington, DC 20006-8521. Telephone (202) 502-7635 or via Internet: jose.martinez@ed.gov.

If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Individuals with disabilities may obtain this document in an alternative format (e.g., Braille, large print, audiotape, or computer diskette) on request to either of the program contact persons listed under **FOR APPLICATIONS AND FURTHER INFORMATION CONTACT**.

Individuals with disabilities may obtain a copy of the application package