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TOM RIDGE  
CHAIRMAN, BOARD OF TRUSTEES

August 18, 2022

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Charles Schumer  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

Dear Speaker Pelosi, Leader McCarthy, Leader Schumer, and Leader McConnell:

SSTI, on behalf of our members, is writing to urge Congress to reauthorize the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs before they expire on September 30 of this year. This request echoes an appeal signed by 100+ organizations in February.<sup>1</sup>

Should Congress allow SBIR and STTR to lapse, our country will lose its most substantial investments in translating research into life-saving therapeutics, national security technologies, energy-efficient materials and thousands of other important products and services.

The impact of SBIR/STTR is difficult to overstate. More than 300,000 companies have benefitted from the program since its creation,<sup>2</sup> including some, like 23andme, Ginkgo Bioworks, iRobot, and Qualcomm, that went on to become household names. Agency-specific studies have demonstrated impacts including \$28 billion in awardee sales to the Department of Defense<sup>3</sup> and that one of every six drugs that made a “significant” advance over existing medicine in the past 25 years were from a National Institutes of Health<sup>4</sup> SBIR/STTR awardee.

Given the limited time remaining before the programs lapse, we ask Congress to pass a straightforward reauthorization that extends the SBIR/STTR programs and related authorities for at least one year.

The House has included SBIR/STTR reauthorization language in its *COMPETES Act* and *National Defense Authorization Act*, and we thank the Members for this action. Should these bills not become law before the end of the current fiscal year, we request that Congress also include the reauthorization in any appropriations or other legislation that will pass before September 30<sup>th</sup>.

We recognize that some Members of Congress oppose extending SBIR and STTR without restrictions on the ability of participating agencies to make awards to companies that have previously won awards

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<sup>1</sup> Letter to Congress dated February 2, 2022. See: <https://ssti.org/policy/sbirsttrletter2022> [pdf].

<sup>2</sup> From SSTI's review of award data published by the U.S. Small Business Administration on [sbir.gov](https://www.sbir.gov).

<sup>3</sup> TechLink. (2019). *National Economic Impacts from the DOD SBIR/STTR Program, 1995-2018*. U.S. Department of Defense. Retrieved: <https://www.sbir.gov/impact>.

<sup>4</sup> National Academies of Sciences, Engineering, and Medicine. (2022). *Assessment of the SBIR and STTR Programs at the National Institutes of Health*. Washington, DC: The National Academies Press. Retrieved: <https://doi.org/10.17226/26376>.

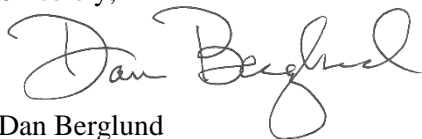
through the program. We sympathize with this concern, as we recognize that new, innovation-focused companies are often the strongest drivers of employment growth in a region.<sup>5</sup> However, we also recognize that previous research into SBIR/STTR has not identified a clear concern with the outcomes of multiple award winners, and that the agencies that are most likely to work with repeat companies are also the agencies that use the programs to advance their own mission-based technology needs (including the U.S. Department of Defense and U.S. Department of Health and Human Services). Given the diverging findings in existing research on this topic, Congress could advance this discussion by supporting a robust evaluation of the technological and commercial successes of multiple award winners compared to first-time awardees.

The bottom line is that we do not believe the continued success of SBIR/STTR in supporting technology development by all small businesses should be held back due to concerns about multiple award winners.

Once SBIR/STTR's existence into the next fiscal year is ensured, we welcome a conversation about improvements to the programs.

Thank you for your attention to this urgent issue. We stand ready to work with you to reauthorize the important and successful SBIR and STTR programs as soon as possible.

Sincerely,

A handwritten signature in black ink that reads "Dan Berglund". The signature is fluid and cursive, with the first name "Dan" being more prominent than the last name "Berglund".

Dan Berglund  
SSTI President and CEO

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<sup>5</sup> For example, see: STI & SDD. (2022). "DynEmp: Measuring job creation by start-ups and young firms." *OECD*. Retrieved: <https://www.oecd.org/industry/dynemp.htm>.