May 3, 2011

The Honorable Sam Graves
Chairman
House Small Business Committee
2361 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of the Association of American Universities (AAU), I write today to express support for H.R. 1425, the Creating Jobs Through Small Business Innovation Act of 2011, which would reauthorize the Small Business Innovative Research/Small Business Technology Transfer (SBIR/STTR) programs.

We support maintaining the current SBIR funding set-aside at 2.5 percent, as proposed in H.R. 1425. AAU opposes S. 493, the SBIR/STTR Reauthorization Act of 2011, legislation currently being considered by the Senate, which includes an increase in the set-aside amount.

AAU is the association of 60 leading U.S. public and private research universities whose member institutions perform roughly 60 percent of federally funded university-based research, and award more than half of all Ph.D. degrees earned in our country. We strongly prefer H.R. 1425, as currently drafted, over its Senate counterpart, S. 493, because we believe that there is no clear justification for increasing the SBIR set-aside. In a time of constrained budgets, the country needs to make every effort to support competitive, peer-reviewed basic and applied research programs at the federal research agencies. Increasing the set-aside would further reduce the already low-success rates at the National Institutes of Health, National Science Foundation, and other federal research agencies.

This is not to suggest that we do not favor increasing the amount of funds going to SBIR and STTR. Our view is that the best way to increase the amount of funding available to these programs is to provide steady and sustained funding increases for federally supported research. Moreover, we note that the SBIR set-aside represents a floor and not a ceiling. If agencies find that they are rejecting good SBIR proposals, they already have the ability to fund those proposals by supporting SBIR at a level higher than the 2.5 percent minimum. AAU supports allowing the agencies to decide if the quality of the SBIR proposals merits funding at levels above the 2.5 percent level.
AAU supports reauthorization of the SBIR and STTR programs and hopes that Congress will approve legislation similar to the House bill. We agree with the National Academies’ assessment of these programs as being “sound in concept and effective in practice.” Both programs play an important role in the nation’s overall innovation ecosystem by transforming cutting-edge, innovative ideas and research into viable, market-ready products for the American consumer.

With best regards,

Robert M. Berdahl
President
Association of American Universities