

August 1, 2013

The Honorable Christopher C. Collins  
1117 Longworth House Office Building  
United States House of Representatives  
Washington, DC 20515

The Honorable Derek Kilmer  
1429 Longworth House Office Building  
United States House of Representatives  
Washington, DC 20515

The Honorable Lamar S. Smith  
Chairman  
House Committee on Science, Space  
and Technology  
2409 Rayburn House Office Building  
United States House of Representatives  
Washington, DC 20515

The Honorable Eddie Bernice Johnson  
Ranking Member  
House Committee on Science, Space  
and Technology  
2312 Rayburn House Office Building  
United States House of Representatives  
Washington, DC 20515

The Honorable Larry D. Bucshon  
Chairman  
House Subcommittee on Research and  
Technology  
1005 Longworth House Office Building  
United States House of Representatives  
Washington, DC 20515

The Honorable Daniel Lipinski  
Ranking Member  
House Subcommittee on Research and  
Technology  
1717 Longworth House Office Building  
United States House of Representatives  
Washington, DC 20515

Dear Representative Collins, Representative Kilmer, Chairman Smith, Ranking Member Johnson, Chairman Bucshon, and Ranking Member Lipinski:

We write to express our support for the Technology and Research Accelerating National Security and Future Economic Resiliency (TRANSFER) Act of 2013. We are grateful for the attention this bill will bring to the necessary work of studying market viability of early stage technologies. The funding program will help universities, non-profit research institutes and federal laboratories and their faculty and researchers undertake important proof-of-concept, scaling up, and modeling research which will in turn enable the more effective commercialization of new technologies and support the creation of successful small businesses.

The undersigned organizations believe that the TRANSFER Act of 2013 can help to solve an intractable problem in technology transfer and encourage the commercialization of technologies developed by the research institutions we represent. We believe that despite the availability of SBIR and STTR program funds, there remains a funding gap that precludes many technologies and research advances from attracting private sector investment. This gap, known as the “valley of death,” often prevents universities, federal labs, and other research institutions from moving new research discoveries quickly into the marketplace. The SBIR and STTR funding programs, as currently configured, presume there is already enough evidence that a particular technology

has sufficient commercial value to attract further investment for commercialization. The current economic climate, however, has left companies, angel investors, and venture capitalists even less willing to invest in the proof-of-concept, scaling up, and modeling required for full exploration of the commercial value of such advances.

By requiring that agencies such as the National Institutes of Health (NIH), National Science Foundation (NSF), and Department of Energy (DOE) devote a portion of their STTR funds to earlier stage proof-of-concept or prototype development research, the TRANSFER Act of 2013 encourages an important direction in overcoming the challenges of early stage technologies and research discoveries.

More broadly, the legislation will help to create and sustain a more vital innovation infrastructure. Not only will it encourage translational research that will better prepare discoveries for the marketplace, it will also urge research institutions and individual investigators to collaborate with industry and more fully incorporate considerations of commercial viability into their research enterprise. The program has promise to enhance not only the expertise required, but also to facilitate the cultural change necessary for universities, federal laboratories and other non-profit research organizations to accelerate innovation and technology transfer.

Thank you for recognizing these needs and introducing the TRANSFER Act of 2013.

Sincerely,

American Council on Education  
Association of American Medical Colleges  
Association of American Universities  
Association of Independent Research Institutes  
Association of Public and Land-grant Universities  
Association of University Technology Managers  
Battelle  
SRI International