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 Carnegie Mellon University  
 Case Western Reserve University  
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 Georgia Institute of Technology  
 Harvard University  
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 The Johns Hopkins University  
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 Michigan State University  
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 The Ohio State University  
 The Pennsylvania State University  
 Princeton University  
 Purdue University  
 Rice University  
 Rutgers University – New Brunswick  
 Stanford University  
 Stony Brook University –  
 State University of New York  
 Texas A&M University  
 Tulane University  
 University at Buffalo –  
 State University of New York  
 The University of Arizona  
 University of California, Berkeley  
 University of California, Davis  
 University of California, Irvine  
 University of California, Los Angeles  
 University of California, San Diego  
 University of California, Santa Barbara  
 The University of Chicago  
 University of Colorado Boulder  
 University of Florida  
 University of Illinois, Urbana-Champaign  
 The University of Iowa  
 The University of Kansas  
 University of Maryland, College Park  
 University of Michigan  
 University of Minnesota, Twin Cities  
 University of Missouri, Columbia  
 The University of North Carolina at  
 Chapel Hill  
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 University of Pennsylvania  
 University of Pittsburgh  
 University of Rochester  
 University of Southern California  
 The University of Texas at Austin  
 University of Toronto  
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 The University of Wisconsin - Madison  
 Vanderbilt University  
 Washington University in St. Louis  
 Yale University

July 24, 2019

**The Honorable Marco Rubio**  
**Chairman**  
**Senate Small Business and Entrepreneurship**  
**Committee**  
**428A Russell Senate Office Building**  
**Washington, D.C. 20515**

**The Honorable Ben Cardin**  
**Ranking Member**  
**Senate Small Business and Entrepreneurship**  
**Committee**  
**428A Russell Senate Office Building**  
**Washington, D.C. 20515**

Dear Senators Rubio and Cardin:

On behalf of the Association of American Universities (AAU) – an association of America’s leading research universities – I write to express our opposition to provisions in the SBA Reauthorization and Improvement Act of 2019. Despite our support for the Small Business Innovation and Research (SBIR) and Small Business Technology Transfer (STTR) programs, we oppose the provisions in the bill that would increase the annual percentage set aside at the expense of federal research investments which empower the discoveries that lead to new technologies and processes that foster new small businesses.

AAU and our member institutions strongly support the participation of small businesses in scientific research and technology development. We recognize that the SBIR and STTR programs are important components of the innovation pipeline that help produce today’s advances in the biomedical and physical sciences and engineering. We also appreciate that reauthorization of these programs will provide continuity in direction to the participating agencies as well as small businesses. Notwithstanding our general support for these programs, we oppose increasing the percentage set aside for the SBIR and STTR programs to 6.4 percent and 1 percent in 2024.

At a time when global economic competitors are rapidly increasing their investments in basic scientific research, now is not the time for the United States to shift much-needed funds from these foundational research programs to the SBIR and STTR programs. While SBIR and STTR contribute to our nation’s unique innovation ecosystem and are definitely important, we believe the most effective way to increase their funding is to grow the overall size of the extramural research budgets of the federal research agencies. Increased investments in the National Institutes of Health, the National Science Foundation and other federal research agencies would lead to commensurate growth for SBIR and STTR.

As the Committee marks up the SBA Reauthorization and Improvement Act of 2019, we urge you to consider the detrimental impacts of increasing the SBIR and STTR set-aside would have on peer-reviewed, competitively-awarded fundamental scientific research that is the seed corn for future technologies and processes critical to the creation and vitality of many small businesses.

We stand ready to work with you in the legislative process to achieve your goal to increase funding for the SBIR and STTR programs.

Sincerely,

**Mary Sue Coleman**  
**President**  
**Association of American Universities**