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