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The undersigned organizations and companies urge you to include SBIR Reauthorization of the Small Business Innovative Research (SBIR) program in **this year's** National Defense Authorization Act (NDAA). SBIR innovations and solutions are a critical contributor to our nation's defense, and for the past 15 years SBIR has been reauthorized either in the NDAA or the Defense Appropriations bill. Over one half of SBIR funding is from the Department of Defense. Delay of reauthorization could place the extraordinary accomplishments of this program in significant jeopardy.

The SBIR program—though a small percent of total federal research and development—challenges America's small high tech businesses to innovate solutions to national needs and convert those innovations into private sector jobs that drive our economy. This is a critical pipeline for transitioning America's basic research into American jobs. SBIR companies currently create some 25% of America's key innovations.

SBIR has the best record of commercialization of any government research program. There have been 17 studies by the National Academy of Sciences that show that approximately 60% of all SBIR awards at all agencies have commercial sales, and that the SBIR Program meets its Congressional objectives. Recent Air Force studies show that SBIR returns \$12 for every \$1 invested, creating new businesses and growing them, while 25% spawn new spinoff companies, licenses and mergers. Studies of the Navy SBIR program have shown similar success. By law, every SBIR winner must be a company located in the United States, owned by U.S. citizens, and SBIR work must be performed in the U.S.

Unless Congress takes prompt action to reauthorize SBIR this year, this program will be in jeopardy as it loses long term focus, and the innovating small businesses and their employees will face an uncertain future. The last SBIR reauthorization suffered a repeated last-minute cycle of 14 continuing resolutions from 2008 that disrupted government and business plans, before it was finally reauthorized in 2011. We urge you and the Armed Services Committee to make sure this critical program continues to contribute uninterrupted by including it in the NDAA enacted this year.

Sincerely,

Small Business Technology Council

National Small Business Association

New England Innovation Alliance