

Congress of the United States
Washington, DC 20515

December 19, 2019

The Honorable Mark T. Esper
Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Secretary Esper:

In a challenging and ever-changing global security environment, putting the most advanced technology into the hands of America's warfighters is of vital importance to the Department of Defense (DOD). Few programs have been proven as successful at transitioning next-generation technology to the field as the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.

While SBIR and STTR have been remarkably effective at transitioning technology and stimulating economic returns, DOD must streamline and modernize the process of awarding funds through these programs to ensure that awardees can effectively and efficiently bring innovation to the field. The U.S. Government Accountability Office (GAO) released a study in September 2019 entitled "Many Agencies Took Longer to Issue Small Business Awards than Recommended." The study found that 25 percent of SBIR and STTR awards from 2016 to 2018 took longer than the recommended 180-day timeframe. In fact, DOD had particularly lengthy awarding delays, averaging over six months to issue an SBIR or STTR award after it selected a winner.

Since the 2011 reauthorization of the SBIR and STTR programs, Congress has worked to speed up and streamline the award process. Specifically, Congress inserted in the fiscal year (FY) 2012 National Defense Authorization Act (NDAA) provisions requiring participating agencies to shorten award timelines (15 U.S.C. § 638 (hh)). Moreover, last year's NDAA included a requirement for DOD to develop a pilot program to reduce the time between SBIR award decisions and funding. While DOD component agencies like the Navy and Air Force have initiated accelerated award programs such as the Air Force's "Pitch Day" and the Navy's upcoming "Technology Acceleration" effort, we have not been made aware of any DOD-wide initiatives. Additionally, Section 1710 of the FY 2018 NDAA included a provision requiring the DOD to create a pilot program to award multiple contracts to covered small businesses for the purchase of technology, supplies, or services developed through the SBIR or STTR programs.

To evaluate what progress has been made toward improving the efficiency and effectiveness of SBIR and STTR, we ask that you provide information about how DOD has complied or is planning to comply with 15 U.S.C. § 638 (hh) and Section 1710 of the FY 2018 NDAA. Please answer the following questions:

Regarding status of DOD pilot programs:

- 1) Pursuant to 15 U.S.C. § 638 (hh), has DOD established a pilot program to reduce the time of awards to be as close to 90 days as possible? If yes, please provide information about the pilot program and any data you have on its effectiveness at reducing the time of awards. If not, is there a pilot program in development? What is the timeline for implementation of this program by the Secretary or the services?
- 2) Regarding Section 1710 of the FY 2018 NDAA, have you established a pilot program to facilitate multiple award contracts (MACs) to covered small businesses for the purchase of technologies, supplies, or services developed under SBIR or STTR? If so, please provide us with information about this program. If not, what steps are you taking to develop and implement such a program?

Regarding developing standards:

- 3) Has DOD developed standardized procedures and model contracts for SBIR Phase I, Phase II, and Phase III awards in compliance with 15 U.S.C. § 638 (hh)? If not, what steps are you taking to develop standardized procedures and model contracts?

Regarding other opportunities for modernization:

- 4) Independent of compliance with the aforementioned statutory provisions, what steps are you taking to streamline, simplify, or speed up the SBIR/STTR award process?

It is essential to empower DOD to innovate and transition technology to the warfighter as rapidly as possible to maintain America's technological advantage. The provisions passed by Congress are intended to speed up and streamline the SBIR and STTR awarding process. However, DOD's current SBIR awards timeline, spanning six months between the agency decision and award issuance, must improve. We request a timely response to the above referenced questions. If you have any questions, please contact Santiago Gonzalez, staff member to Representative Crow at (202) 225-7882, Tyler FitzGerald, staff member to Representative Turner at (202) 225- 6465, Meagan Sunn, professional staff member to the majority staff at (202) 225-4038, or Joe Hartz, Policy Director for the minority staff at (202) 225-5821.

Thank you for your prompt attention to this matter.

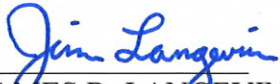
Sincerely,



JASON CROW
Chair
Subcommittee on Innovation and
Workforce Development
Committee on Small Business



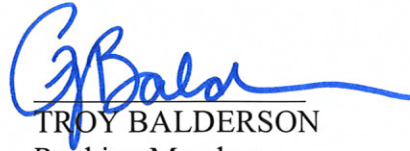
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Ranking Member
Subcommittee on Strategic Forces
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JAMES R. LANGEVIN

Chair

Subcommittee on Intelligence, Emerging
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TROY BALDERSON

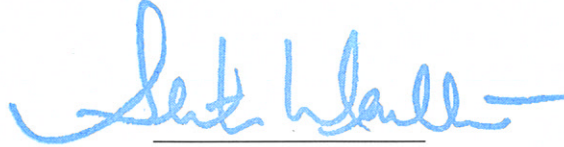
Ranking Member

Subcommittee on Innovation and
Workforce Development
Committee on Small Business



JOE WILSON

Member of Congress



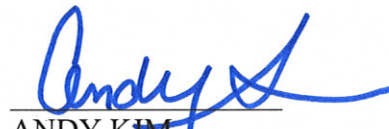
SETH MOULTON

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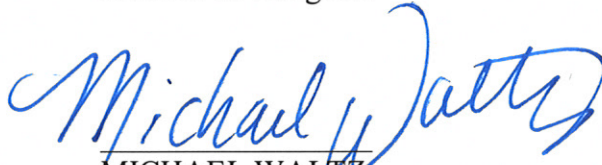
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