



November 10, 2021

The Honorable Charles Schumer
Majority Leader
United States Senate

The Honorable Mitch McConnell
Minority Leader
United States Senate

The Honorable Nancy Pelosi
Speaker
United States House of Representatives

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives

Dear Congressional Leaders:

The National Defense Industrial Association (NDIA) and the National Small Business Association (NSBA) write to you to stress the need for reauthorization of the Small Business Innovation Research Program/Small Business Technology Transfer (SBIR/STTR) Program. NDIA is the country's oldest and largest defense industry association with nearly 1,600 corporate members and over 70,000 individual members, 75% of them being small businesses. NSBA is the country's oldest small business advocacy association representing 65,000 small business members across the country. On behalf of our members across every state in the nation, we urge you to adopt the provisions in the Fiscal Year 2022 National Defense Authorization Act (NDAA) reauthorizing the SBIR program for another five years. We further encourage making this program permanent.

The SBIR/STTR Program facilitates and streamlines the participation of competitive small businesses to work in coordination with the federal government on agency-specific research and development needs. Speeding innovations and advanced capabilities to our warfighters is critical to the Department of Defense (DoD) efforts to outpace China and other competitors and adversaries. The SBIR/STTR Program, established in 1982, has a proven track record as a pipeline for ingenuity and advancements in the defense sector. By supporting small business competition for these contracts, the program inspires technical innovation and injects a vital sense of entrepreneurship into the defense enterprise and the dozen participating agencies. The SBIR/STTR Program further expands the economic impact of investments in small business by actively supporting private sector commercialization of the innovations stemming from this research.

As of 2019, the program has provided over 179,000 awards, totaling over \$54.3 billion, to small businesses. An assessment by the DoD showed the SBIR/STTR Program has generated a 22:1 return on investment, delivering significant economic gains while simultaneously supporting national security interests. The SBIR/STTR Program effectively harnesses America's rich history of innovation and small business ingenuity. It is a history that allowed the creative genius inspired by a shrimp boat in Louisiana to be transformed into the legendary Higgins Boat utilized in Operation Overlord on the beaches of Normandy, and which more recently created LASIK surgery, a thriving industry with its roots in original research funded by a Missile Defense Agency SBIR investment.

Getting new technologies to the market is challenging and risky. The SBIR/STTR Program successfully commercializes technology. A study by the National Academy of Sciences found a commercialization rate of between 50-60% for SBIR/STTR investments—a win-win for the U.S. economy. The program's U.S. ownership requirements ensure trusted capital is being used for innovations destined for our servicemembers and actively counters the offshoring of jobs and critical technologies.

The merit-based aspect of the SBIR/STTR Program promotes competition and delivers the best and most innovative technologies our country's small businesses can produce. In the case of the DoD, this ensures we are



getting the best capabilities possible to the warfighters who deserve all-domain advantage. Merit review is critical to the successful impact of the SBIR/STTR Program and one of the reasons seventeen countries have copied it.

Our industry members value the importance of the SBIR/STTR Program for successfully driving innovation to the warfighter. The SBIR/STTR Program has proven beneficial to DoD delivering on the national security imperatives for technology innovation and modernization. Furthermore, the program directly contributes to the economic stability and participation of small businesses in the defense industrial base.

As the U.S. military works to modernize and increase lethality, collaboration with small business innovators is essential. Our warfighters need the best of the best to compete and win. We must leverage all our resources. Our adversaries certainly will.

We appreciate your consideration and urge you to act now to reauthorize the SBIR Program.

Yours Respectfully,

Herbert J. Carlisle
General, USAF (Ret)
President and CEO, NDIA

Todd McCracken
President and CEO, NSBA

ML Mackey
Board Chair, NSBA
Division Chair, NDIA Small Business Division

CC:

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| Senator Reed | Representative Smith |
| Senator Inhofe | Representative Rogers |
| Senator Cardin | Representative Velazquez |
| Senator Paul | Representative Luetkemeyer |