

# Congress of the United States

Washington, DC 20515

May 25, 2022

The Honorable John Hickenlooper  
Small Business Committee  
U.S. Senate  
374 Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Todd Young  
Small Business Committee  
U.S. Senate  
185 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Nydia Velázquez  
Small Business Committee  
U.S. House of Representatives  
2361 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Scott Fitzgerald  
Small Business Committee  
U.S. House of Representatives  
1507 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Sharice Davids  
Small Business Committee  
U.S. House of Representatives  
1541 Longworth House Office Building  
Washington, D.C. 20515

Dear Senator Hickenlooper, Senator Young, Chairwoman Velázquez, Representative Fitzgerald, and Representative Davids:

As the Conference Committee convenes to reconcile the United States Innovation and Competition Act (S.1260) and the America COMPETES Act (H.R. 4521) we write in support of SEC. 10671, the reauthorization of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. The SBIR/STTR programs are the principal means through which the U.S. government engages the small business technology enterprise for the benefit of the country.

SBIR/STTR programs were established by Congress in 1982, with the goal of harnessing innovative small businesses within the U.S. to meet high-priority technological demands and to benefit the national economy. These programs were established to make strategic research and development (R&D) investments to mitigate the loss of national competitiveness and expand the Defense Industrial Base.

Today the nation faces a significantly more urgent situation. China is embracing emerging technologies within its defense sector to achieve its strategic objective of overtaking the U.S. and our Allies as global leaders. The Chinese Communist Party understands the importance of winning the technology race and has shown, through billions of dollars in investments, the forced intellectual property transfer of vulnerable companies, and even outright theft in order to gain technological superiority.

The Department of Defense's use of the SBIR/STTR program supports R&D needs that meet the warfighter's evolving demands. SBIR is a mechanism for small businesses to pursue high-risk R&D without jeopardizing their entire company. Additionally, SBIR is an excellent source of funding for start-ups aiming to develop and grow the Defense Industrial Base; roughly one third of the awards each year, worth up to \$1.5 million, go to small technology startups. Most SBIR/STTR awards are to businesses with fewer than 25 employees.

Nearly all of U.S. businesses are small businesses (99.9%) and they account for 44% of U.S. economic activity. Small businesses invest in their communities through paychecks and taxes, which encourage the creation of new small businesses. We must harness the best of American innovation and creativity to maintain a competitive advantage against our nation's adversaries and the SBIR/ STTR programs help us do just that.

We urge you to ensure that the final bill includes a long-term reauthorization of the SBIR/STTR program.

Sincerely,



BETTY MCCOLLUM  
Member of Congress



KEN CALVERT  
Member of Congress

CC: The Honorable Maria Cantwell, Chair, Senate Committee on Commerce, Science, and Transportation

The Honorable Roger Wicker, Ranking Member, Senate Committee on Commerce, Science, and Transportation

The Honorable Eddie Bernice Johnson, Chair, House Committee on Science, Space, and Technology

The Honorable Frank Lucas, Ranking Member, House Committee on Science, Space, and Technology

The Honorable Ben Cardin, Chair, Senate Committee on Small Business

The Honorable Rand Paul, Ranking Member, Senate Committee on Small Business

The Honorable Blaine Luetkemeyer, Ranking Member, House Committee on Small Business